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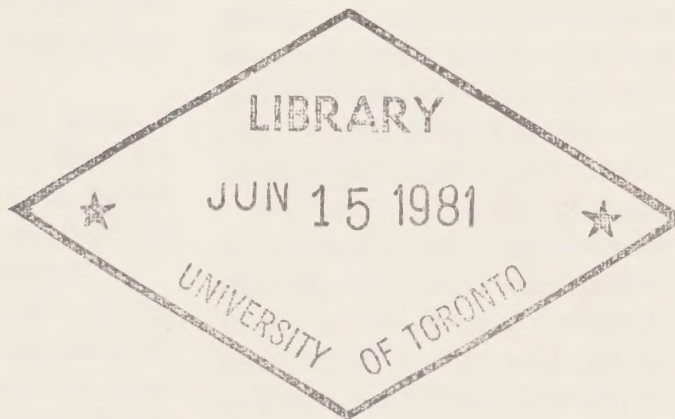


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Thursday, June 4, 1981

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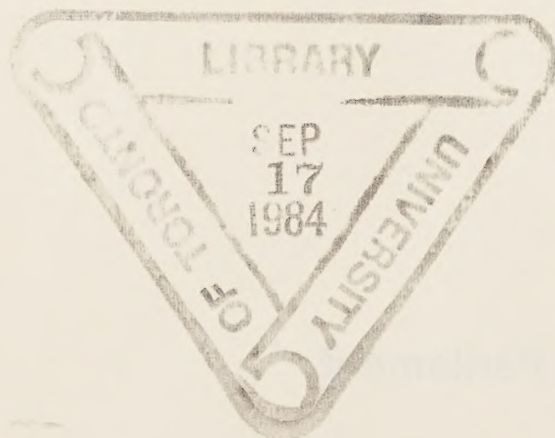
Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 4, 1981

The House resumed at 8:01 p.m.

REPORT, SELECT COMMITTEE ON PLANT SHUTDOWNS AND EMPLOYEE ADJUSTMENT

Consideration of the draft final report of the select committee on plant shutdowns and employee adjustment, January 1981.

Hon. Mr. Gregory: Mr. Speaker, prior to calling order 39, I wish to remind you of the agreement among all three parties as to the distribution of time. I think all three parties agree that the time should be allotted on an equal basis. Might I add that the Clerk's table will keep the time.

Hon. Mr. Elgie: Mr. Speaker, I am pleased to have this opportunity to acknowledge, first of all, the diligence with which members of the committee on plant shutdowns and employee adjustment have discharged their responsibilities.

I believe the members involved made a substantial contribution by clarifying both for members of the Legislature and for the public many complex issues related to terminations of employment as a result of plant closures.

I commend the members in particular on the fact that they have conscientiously examined all the relevant points of view. The draft final report faithfully records the positions of the various groups that appeared before that committee.

It is, of course, the responsibility of the government to develop legislation it believes to be appropriate, having regard to the alternative and often conflicting positions advanced by the parties of interest. In the bill I introduced earlier today in this Legislature, I believe we have succeeded in achieving a fair and equitable balance.

Mr. Cassidy: It is a copout.

Hon. Mr. Elgie: My friend is a copout. He should just sit still and behave himself. He should try it; he might like it, and others might like him more.

Mr. Cassidy: It is a copout and nothing more. The minister kowtowed to the chamber of commerce, and he would not listen to his own members on the committee.

Hon. Mr. Elgie: I also want to note that our positions on interim pension reform, on co-operative employee adjustment measures and, of course, on severance pay are in keeping with the more important themes of the committee's draft final report.

The government and the committee appear to be in agreement on the rationale for introducing measures to diminish both individual and societal disruption caused by plant closures and the resulting large-scale terminations of employment. We recognize that when employees are terminated they lose, along with job security, their seniority rights and promotion prospects as well as their rights to pensions and other benefits. The losses suffered by longer-service employees are necessarily proportionately greater.

When the termination of larger numbers of employees is brought about by a complete or partial closure of an establishment, there are unquestionably losses of service-related rights and benefits that will never be recaptured and that, on principles of equity and fairness, should be recognized and compensated for.

As I have said, the government has introduced legislation to address what I believe to be the major concerns identified in the report and in the various briefs presented to the committee. Members will recall that in December, for example, the Pension Benefits Act was amended in several significant aspects. As a result of those amendments, persons who have vested pension rights but have not yet reached early or normal retirement age at the time of the plant closing are further protected.

In addition, a pension guarantee fund has been established to protect unfunded liabilities when a pension plan is terminated because of a plant closure or for other reasons.

These provisions were introduced to address the immediate problem that has been identified with respect to pension entitlement in instances of plant closure.

As members know, the government also announced in the throne speech that a select committee of the Legislature would be established to study the recommendations of the Haley Royal Commission on the Status of Pensions in Ontario—

Mr. Cassidy: It is the worst report on pensions

this country has seen.

Hon. Mr. Elgie: If anyone wants to know about the worst, he just has to look over at the honourable member. Perhaps he could sit still a minute and listen.

The recommendations concerning earlier vesting and portability have particular relevance for employees terminated in the circumstances I have described, and we will all await with interest the results of the deliberations of that committee.

The bill that I introduced earlier today has some effect on the pension rights of employees who receive notice of termination under the Employment Standards Act. Under that bill, employer contributions to benefit plans, including pension plans, must be maintained during the period of notice of termination as well as during the period for which notice should have been given and where pay in lieu of notice has been given instead.

For purposes of administration of the Employment Standards Act, contributions to benefit plans will be considered as wages, thus enabling officers of my ministry to enforce their payment.

As I mentioned earlier today, the bill also includes provision for severance pay where there is a permanent discontinuance of all or part of the business involving the termination of 50 or more employees.

As I have said, there are a number of details that will require elaboration as we proceed to second reading and later to clause-by-clause examination of the bill. For example, entitlement is dependent on five years' service with the employer. The bill provides one week's wages for each year of service up to a maximum of 26 weeks.

To protect against the avoidance of severance pay obligations by an inordinately long period of phase-out, the bill stipulates a period of six months for determining the total number of workers affected by any full or partial closure.

There are other provisions dealing with the entitlement of part-time employees, employees on strike or who are locked out, employees absent owing to illness or injury and employees who, upon closure, elect to retire on full or reduced pension benefits.

Exceptions are made for employees who refuse offers of reasonable alternative employment with their employer or who fail to exercise their seniority rights to secure alternative jobs.

Setoff provisions are made for supplemental unemployment benefit plans and for contractual severance pay benefits.

We will have a full opportunity to discuss these and other important aspects of the bill as it proceeds through the legislative process.

As I have also mentioned, the bill recognizes that productive re-employment is the ultimate goal of any program to relieve the effects of large-scale termination. It provides, therefore, that the minister may require employers to participate in actions and measures to facilitate the re-establishment in employment of those who are being terminated.

This portion of the bill envisages the establishment of manpower adjustment committees, but it may also lead to other measures which may be more effective in achieving re-employment goals. I happen to regard these latter measures as extremely important. They support the initiatives of my special adviser in this area, Mr. Robert Joyce, and of our plant closures branch, which was created last fall.

Members will recall that Mr. Joyce was appointed to inquire into potential plant closures to determine whether those closures could be averted and to co-ordinate the various government services that might be appropriate in any given situation. Since the first of the year, Mr. Joyce and his staff have been looking at alternative routes of achieving the efficient and satisfactory relocation of employees affected by mass termination.

8:10 p.m.

Of particular interest is a pilot project now under way in the Toronto area. I think it represents the kind of practical measure and action to which the proposed legislation refers in general language. It also reflects our conviction that employers and government agencies can work productively in mobilizing all available resources and expertise to help those who risk becoming either unemployed or inappropriately employed.

If I may, I wish to share with members this evening some of the details of this initiative.

Impartial professional advice is often an important component in a successful job search, and this is available now through a number of private and public agencies. Workers who are terminated under any circumstances become eligible for counselling under federal government programs once they become unemployed.

However, we in this government happen to believe that those who are terminated as part of

a large group have special needs for informed counselling and could best benefit from this counselling before they become unemployed.

Mr. Cassidy: Tell the worker how well off he is by losing his job.

Hon. Mr. Elgie: The member opposite should just sit still. He should try it; he will get used to it and he might learn something.

Because of the interest the government has in counselling before unemployment, when we were notified of the pending termination of a group of employees because of a Metro area plant closure we met with company representatives and arranged a contact with a local community college to design and implement an intensive program of counselling for the designated employees.

Within a very short time the college had developed a proposal that provides five days of group and individual sessions for each employee, to which the company agreed. The cost is being shared in this instance by the employer and the college. The employees are being given time off during the notice period to avail themselves of the college's services, and two thirds of the employees are actively participating in the program.

While it is too soon to measure in precise terms the success of this new and promising venture, I am very encouraged by it. We have planned evaluations from four points of view: the employer's point of view, the employee's point of view, our own point of view and the Ministry of Colleges and Universities' point of view. I will be happy to provide those evaluations to this House when that program has been completed.

We are optimistic that this approach will prove to be extremely beneficial and may very well serve as a model for other situations.

Counselling is directed at helping employees to examine the options that may be open to them. Retraining, perhaps through the college system, is one of those options; relocation may be another. If a worker has lost one position because the industry in which he is employed is declining it may be unwise to seek another job in that same sector, because it may be a reflection of the changing economy and the changing demand.

A counsellor may help to identify skills that are transferable or portable into some other area of expertise, and the client may be advised on how best to market himself or herself. In any case, the goal is to help that employee to obtain a potentially long-term and satisfying situation.

While the overall long-term solution to unemployment depends upon the strength of our economy—a subject, I might say, that is being addressed by other government initiatives, such as those referred to in the Board of Industrial Leadership and Development document—I am confident that the employment adjustment measures we have taken within the Ministry of Labour will be of assistance in addressing the very real human problems related to full and partial plant closures.

Mr. Cassidy: The minister should tell us about his concern; he should tell the unemployed workers about his concern.

Hon. Mr. Elgie: Let the member talk. He is not going to be doing it for very long; that decision has been made.

The deliberations of the select committee have provided very useful insights for us in establishing the direction of the government's program. Quite frankly, I commend that committee for its important work.

Mr. Van Horne: Mr. Speaker, I am very pleased to be able to participate in this debate this evening. Not more than 30 or 40 seconds ago, I was reflecting on the problem a lot of people have from time to time when they start to speak on a topic. The problem is that occasionally one has so many things to say that one does not know which point to make first.

As I look into the gallery and see the many young people here this evening, I am very pleased to see these young folks sitting in on a debate like this. What we are looking at is a topic that will affect each and every one of them as they move through the next five, 10 or 15 years.

I make that observation simply because for the last two years I have spent many hours and considerable energy in trying to assess what I perceive to be the problem of the labour market here in Ontario as it relates to the relative happiness or unhappiness in the lives of the people of this province. We simply cannot divorce one from the other. What happens with workers, those people who punch the clock every day, has a direct and definite bearing on the lives of each and every one of us.

Having made that observation, and having been exposed to considerable input because of my presence on the committee that is presenting this report and, prior to that time, having spent about two years as the Labour critic for our party and having been involved with the workers in my community, I hope in the few

minutes I have to speak this evening that I can present a fairly objective view of what is happening and what should be happening to the workers in Ontario, if not in our country.

If I may, I want to begin with my own community of London. The statement has been made many times, "You are very fortunate, very lucky, to be in that rich, wealthy community of London, Ontario, with all the millionaire insurance people," et cetera. Let me tell you, Mr. Speaker, our community of more than 250,000 people contains a very large number of folks who are average, blue-collar, working class people.

We have a significant number of industrially oriented folks who are there day by day working in plants such as General Motors, Kelloggs and Northern Electric. I could go on and recite a long list of industrial workers in our community who help make the fibre of our community just as they do in many other communities across Ontario.

When they do not know a lot about London, people say, "You are lucky, because you do not have a lot of plant layoffs" et cetera. In fact, we have experienced plant layoffs and closures in London. We have seen the effects of people being summarily thrown out of their jobs or being given notice at the last minute that they will no longer be working at such places as Commando Chrome, which is an automotive-related industry in our community. They said: "Sorry, the job is finished. Here you are. Find work elsewhere."

This concern has come to practically every member in this House. What I say on behalf of my party as an opening statement is simply this: We see the problem day by day.

We also have to be critical of the government of Ontario, a government that has been in power since 1943. Although the government did agree to establish the select committee on plant shutdowns and employee adjustment last October, it did so only after the House reopened and we had to cajole, prod, do whatever we could to get the government to establish this committee.

When the House reopened in the fall of 1980, the government did not say a single word until we prodded it to get this committee going. We wanted to do this because we were more and more aware of and convinced of the severity of the problem across Ontario.

8:20 p.m.

Aside from that, by way of opening comment, the government has to take a moment to look at itself and say: "Why did we as a government not

look at the problems facing the working man in Ontario prior to this time? Why did we not do something earlier?" The simple answer to that is: that the general attitude of the government is: "React to problems. Don't plan for the future."

This province has been blessed, or cursed, by a government that has done nothing more or less than accommodate itself to the day-to-day problems we have in Ontario. It has done nothing to address itself to planning for the future. If it had, it would not have waited until the fall of 1980 to look at what we have addressed ourselves to in this committee. It would have acted back as early as 1973, 1974 or 1975, if not earlier, when there was evidence coming to us in Ontario and in North America that we would have significant problems with our industrial communities.

Economists told us that would happen. I have heard people say, "Economists are nothing more or less than educated guessers." One could say the same thing about a lot of professional people in the world. One could say it about neurologists or brain surgeons, for heaven's sake.

The point is that there were all kinds of signs on the horizon a decade ago, telling all of us in North America that we had significant industrial problems. Some of the problems came from our apparent willingness to be dictated to and directed by forces outside of North America, the European and the East Asian markets. These things are coming home to rest where we do not want them to rest, in the pocketbooks of the people of Ontario, in terms of what they are paying for energy et cetera.

I realize I am getting a shade off the theme, but I want to give this background for the simple reason that I am suggesting the government in Ontario could have been addressing itself to the problems now facing the workers in Ontario years ago. It did not address itself to themes such as severance pay, adequate notice of layoff or the need for laid-off employees to be trained and adjusted into other areas. It did not address itself to those basic themes until we prodded it in the fall of 1980 to establish this committee.

One final piece of evidence: Not only our party—and I must give the third party its due—

Mr. Epp: Not too much.

Mr. Van Horne: Not too much, but just enough to keep their attention.

We suggested, from both sides, that provisions should be made to accommodate people such as I have been describing for the last few minutes, who find themselves summarily dismissed from their jobs.

Let me give an example. In 1980, I had the pleasure to present to this assembly a private member's bill entitled Bill 154, An Act to amend the Employment Standards Act. The purpose of this bill was to amend that act to provide additional protection to employees who were laid off or whose employment was terminated.

The bill extended the period of time for giving notice to an employee of a layoff or termination of employment. The bill required an employer to provide assistance to the Minister of Labour, trade unions and employees in any action or program designed to re-establish employees in other employment.

The bill also required an employer to pay severance pay, which is the subject of a bill that came into this Legislature this afternoon. Here we are in 1981 and the government is finally reacting a year after the fact.

We have been suggesting these things for a long period of time. I do not want to overwhelm my colleagues on the left but, to give them due credit, both parties have been suggesting this kind of legislation for a long period of time.

Finally, we are getting to it. Finally, we are spending a few minutes, or a couple of hours at the most, talking about legislation. Really, we are not even talking about legislation. I have to be quite candid with my colleagues opposite who are newly elected and to the people in the gallery who may not be familiar with this.

What we are doing is spending a token couple of hours reviewing a report that was almost ready to be brought into the House at the point the 1981 election was called here in Ontario. We almost had it together. We had been given a mandate in October. We had worked like mad between October and January. We almost had this report together, and we were cut off by a government that said, "We will give these guys a token acknowledgement but we will not let them bring in their report."

I say this in all deference to my colleague and friend the member for Armourdale (Mr. McCaffrey), who was the chairman of this committee and who is now a Minister without Portfolio. I am sure he will be elevated within the near future to an important post here. He was a good chairman. He is one of the few members opposite who had some idea what we were trying to get at.

But what happened? We were cut off at the pass by a devious group of bandits with blue

suits who said: "There shall be an election. They shall not have the opportunity to bring this report in."

Hon. Mr. Elgie: Tell us about how we destroyed the grievance. Tell us about that.

The Deputy Speaker: Continue with the debate.

Mr. Van Horne: The comments I made to the chairman of this committee were made in all sincerity because he and, by and large, the various members of that committee attempted to address themselves to the concerns we had laid out as our terms of reference.

We had to look at the need for portability of pensions. We had to address ourselves to the need for adequate notice for layoff, to the need for severance pay and to two other themes, the employee adjustment theme and the theme of companies baring their souls if they wanted to close. They would have had to address themselves to a public forum to justify why they would want to close.

The Deputy Speaker: Foreign corporations, Mr. Van Horne?

Mr. Van Horne: Foreign corporations, Mr. Speaker, gets us into another theme because, if you want me to spend a moment or two on this, we in Ontario have found ourselves to be directed by and basically controlled by foreign interests that have made us nothing more or less than pawns of those folks who are corporate giants in the world. We find ourselves a community that does not have the ability to direct its own concerns and its own efforts. We find ourselves, in a sense, a branch plant community.

I want to direct a few comments to the report of the committee as it relates to what it should be. I say this again in deference to the government's agreeing to this committee being established. I want to suggest that in our view we, as a political community, as an opposition party, addressed ourselves to this theme many years ago.

8:30 p.m.

Back in the early 1970s, and when we really came to grips with it in the mid-1970s, we determined that this should be pursued. We did pursue it and we came up with an industrial strategy for Ontario—and I have it here with me—which is a very broad, sweeping paper that addressed itself to the need for Ontario to bring itself out of the doldrums. When I say itself, I mean the workers who make up the fibre of this community. In April 1979, our party accepted this report.

In this report we have addressed ourselves to

the needs of the industrial community in Ontario, and let me tell the members that we have answers in here not only to the immediate problems of Ontario but also to the future of Ontario. We have suggestions here for such things as energy policies for the future, apprenticeship policies for the future and research and development policies for the future which would resolve Ontario's problems right now.

I have to tell members that this document is so significant that most of the civil servants in the Ministry of Labour have this filed somewhere in their main desk; it is not salted away somewhere in the boondocks. If the Deputy Minister of Labour had the foresight to come up with this, either he would have been beatified by now or the minister would have had him bronzed and put on the front lawn, because this document has more positive suggestions for improving the industrial lot of the workers in Ontario than he or his predecessors have ever thought of.

This is an excellent document, and I am looking forward to the minister coming back to his chair and saying to me an hour from now, or whenever he chooses to come back, that he has a better alternative than we have. If he says to us that he or his colleagues have something better, I want to hear it because so far they have not said a word. They have not done anything but parrot the things we have put our minds to in this particular document.

Mr. Foulds: What is that industrial strategy?

Mr. Van Horne: Mr. Speaker, I am going to leave some time for my colleagues who want to address themselves to the specifics.

I am not equating myself with the minister; that would be too presumptuous and overgratuitous to one who has the advanced years, which I do not have. I simply want to speak in general terms on behalf of my party.

I submit to my colleagues on my left who threw out a word or two just a moment ago—and I refer to our official opposition industrial strategy—that our efforts as the Liberal Party in Ontario have been recognized by the voters in Ontario.

Hon. Mr. Elgie: Not very well, but never mind.

Mr. Van Horne: I want to tell my friend the member for Oshawa that I have been looking through this Ontario labour magazine, which was put on my desk just a day or two ago. Cliff Pilkey and the Ontario Federation of Labour have a lot to do with this. They make a little

statement as they do their obituary for those members who were with the third party in the last parliament but who are long gone. They have little crosses on the front lawn for each of them, for my friends Bud Germa and Mac Makarchuck—there are a whole lot of them. They have pictures of three of them.

What this little document acknowledges is this: "It seemed for a time in the 1970s that the party [the New Democratic Party] was building to power on a coalition of organized workers and ethnic voters." Here is the significant part: "The 1981 results show"—and I hate to give the Minister of Labour equal time but I will, given his advanced years—"both the Conservatives and Liberals have made major inroads into these blocks of support."

We are doing this because we know the problems of the working men and working women in Ontario. We are working to help them. We have put our minds and hearts to the efforts of this committee and we are not going to quit until the working man and working woman here in Ontario are properly recognized.

Mr. Cassidy: Mr. Speaker, at times I think the government is working to advance the interests of the chamber of commerce, with the Liberal Party not very far behind.

It is a pleasure to comment on this particular report. I hope the minister does not go very far, because I hope very much that after listening to this debate he will be prepared to make some announcements we have yet to hear from the government with respect to the continuation of the select committee on plant shutdowns and employee adjustment in order to allow it to complete its work, and also with respect to major changes in the legislation on severance pay that was presented today.

I want to begin by commending the members of the select committee, from all parties: one, because they worked hard; two, because they worked well; three, because they worked quickly, and four, in commiseration, because before they could complete their tasks they were cut off at the pass by a government that was more interested in exploiting what it calls the realities of March 19 than in either keeping its promises or allowing a committee that had done a good job and heard a great deal of very relevant evidence about the situation of workers and communities affected by shutdowns to complete its work.

The draft report we have before us for consideration this evening is just that: it is a draft. As the then chairman says in his introduc-

tion, "This is not an official committee report, and the texts and recommendations contained in it only represent proposals which were never formally debated or adopted by the committee."

There is absolutely no reason, between the time this House resumed in early April and today, the government could not have called together the committee and allowed it at least to have considered the draft report and to have made its recommendations in a number of areas where options were laid out by the staff, as is their job, but where the ultimate resolution was left to the committee.

The fact is that major issues which affect laid-off workers, which affect plants where shutdowns are planned or are imminent and which affect communities where shutdowns have occurred or are likely to occur were addressed in the draft report but have not been resolved because the committee has been cut off in mid-flight, and that is wrong.

While I commend the committee for its report, and in particular for the way in which members of all parties clung to their belief that at the very least we should be prepared to provide a week of severance pay for every year of service to workers who are laid off, it is a great deal more difficult to commend the minister or the government for the way they have behaved.

The longer I have had a chance to look at the legislation that was presented in the House today and the statement that was provided by the Minister of Labour, the more shocking and arrogant and irresponsible I find that particular declaration by the minister. The minister will be aware that when the committee made a recommendation in December they said quite explicitly that they believed one week of severance pay should be provided for every year of service to every worker who loses his or her job because of a layoff.

In the draft report a number of options with respect to severance pay are put forward. In all cases they relate to all workers who lose their jobs because of layoffs. At no time did the committee consider that there might be a qualification saying that only those workers who were affected by what is known as a permanent layoff or a permanent partial closure would qualify for severance pay. That word "permanent" is a weasel word that has been injected into this bill and injected into this discussion by the Minister of Labour, by the cabinet, by the civil service and, I regret to say, by the friends of

the government in areas like Bay Street and the chamber of commerce in an effort to stop the government from keeping the promise the minister made last December.

Last December the minister committed himself and the government to the principle of severance pay, and he said it would be retroactive to the first of the new year. We, in good faith, were prepared to accept that. I am afraid that on the evidence we have had today, neither the minister nor the government was acting in good faith.

I will cite some figures to show specifically what I mean. The minister admitted today in discussions with the press that of those workers in firms where the severance pay provisions would apply, only about half would have five years' service and would, therefore, benefit. He estimated that in the first three months of 1981, for which there are now figures, some 600 workers would actually receive severance pay under the proposals.

8:40 p.m.

Hon. Mr. Elgie: Because most of them are getting it already.

Mr. Cassidy: Don't get so shirty. Only about 600 workers would actually get the benefit. The government's own figures indicate that in the first three months of this year there have been—I have the figures here—about 6,603 workers laid off where layoffs have been announced in 23 closures. Of that total, however, there are at best 1,900, as near we can estimate, where there are permanent shutdowns, who seem to fall into the definition the minister has talked about—some over a period of months, some at once. The minister says 600 workers will actually benefit. That would be something like a third of the workers in the plants where permanent shutdowns are taking place, rather than the half he also suggested. Six hundred workers out of 6,600 workers laid off in the first three months means less than 10 per cent will benefit. That is not keeping the promise in my language and it is not keeping the promise in a way that anybody outside would understand.

We checked as regards 1980, when just over 30,000 were laid off, according the Ministry of Labour statistics. Of those 30,000 workers, we estimate that approximately 9,208 were in companies where they would have a possibility of qualifying, because the closure taking place is either a permanent closure or a permanent partial closure; immediately, 21,000 workers are excluded. On top of that, the minister

indicates that half the workers in qualifying firms—in work situations that qualify—would not qualify because they have not had five years' service. So that 30 per cent comes down to 15 per cent. One worker in six in 1980 who was hit by a layoff or a shutdown would have benefited in some way from the proposal the Minister of Labour is putting forward. I find it hard to believe that can be called "Keeping the promise." In fact, it is breaking the promise and the promise is being broken by a government that knows better and a government which, in its own civil service, has been prepared to grant much more liberal provisions.

I have here a copy of the collective agreement between the Ontario Public Service Employees Union and the crown with respect to employees in the public service. This is the 1980 contract, and it makes it very clear that workers in the public service of Ontario are to get one week of severance pay for every year of service if they are laid off. Prior to 1978 the figures change a little bit, but the essence of the principle is a week of severance pay for every year of service.

There is no restriction that it must be a permanent shutdown or closure. There is no restriction like that. If workers are laid off and they are not going to get their jobs back, if there is an indefinite layoff or permanent layoff, then they qualify for severance pay if they work for the government of Ontario. But if they work in the private sector, then they must be sure there were 50 employees in their company; they must be sure they have five years' service; and they must be sure they are under what is called a permanent layoff rather than a reduction of operations.

I had a look at some situations in the first three months of this year. Budd Canada in Kitchener, which had 900 employees, laid off 90 in February 1981. It was a reduction of operations, so they did not qualify under the minister's bill. Canadian Fabricated Products in Stratford is laying off 50 of its work force in January. It is a reduction of operations, so they do not qualify. Canadian Pittsburg in Owen Sound is reducing operations by 69 workers, of whom 20 will go in January 1981. They do not qualify because it is a reduction of operations. Daal Specialties of Canada in Collingwood is laying off 95 workers with 75 having gone in January 1981, but they do not qualify because it is a reduction of operations.

Dominion Chain Limited in Stratford is letting 55 workers go. That is more than 50. However, they do not qualify because it is a

reduction of operations. Up in Maitland in the Cornwall area, Dupont is laying off 130 workers in January 1981, but it is a reduction of operations so they do not get any benefit under the severance pay plan.

International Harvester laid off 240 workers with 175 workers going in January 1981, but that was a reduction of operations down in Chatham, so they don't qualify. Kelsey-Hayes was laying off 194 in Windsor. That was a reduction of operations announced in January, so they don't qualify. McDonnell Douglas was laying off 229 in January on top of a series of layoffs of 100 and 200 that occurred over the course of the fall. That was to take place in January and was a reduction of operations, so there was no severance pay to those workers despite the fact they may never get their jobs back; despite the fact that they are simply out on the street looking for a new job.

In the case of Robin Hood Multifoods in Trenton they are laying off 62 workers in January out of a work force of 241. It is a reduction of operations so they do not qualify.

That is the situation in company after company, in plant after plant. Some 21,000 employees last year would not have had a chance of qualifying for severance pay, despite the fact they were out on the streets irrevocably as though their company had closed its doors for good.

If International Nickel decides to reduce its operations because of a shortfall of nickel demand, say, or because of a decision to transfer some of its mining to Thompson, Manitoba—if it decides to lay off 3,000 workers on an indefinite basis in Sudbury—not one will qualify for severance pay unless they happen to have it in their collective agreement. They will not get it under the proposals the minister has brought in in contravention of the report of the select committee.

If GM decides to eliminate the second shift at the south plant in Oshawa I am afraid those workers will not benefit because it is not a permanent partial closure; it is a reduction of operations. The company is transferring operations somewhere else; however, there will be no severance pay provided.

I can give example after example. The fact is that this proposal which is meant to be implementing the recommendations of the select committee is nothing more than a farce. I do not know how the minister can say he is the Minister of Labour when he has brought forward this bill. He is hitting the members of the chamber of

commerce over the head with a bowl full of limp spaghetti, then asking us to congratulate him for what he calls pioneering legislation. I say he is pioneering in going backwards; he is pioneering in finding reasons why most of the workers in this province should not be protected. We in the NDP say it is about time that workers should be acknowledged as having a stake in the companies for which they work. If the company shuts down or if there are layoffs those workers should be compensated with severance pay for the investment they have put into the corporation. That should be the law of Ontario.

I had a chance to sit in on some of the meetings of the select committee. I was there when the people from Essex International told us how they were too busy to even set up a manpower adjustment committee. I was there and heard about some of the problems in Atikokan, where the company was not prepared to look at what might be done and where this government was not prepared to use any muscle to get those jobs preserved and to ensure that the mining activities in the community went on.

The fact is, as the draft report indicates, there were many other problems which relate to plant shutdowns besides the issue of severance pay. Those problems should be resolved now by a continuation of the committee rather than by this government's effort to put the whole matter on the shelf with a one-day debate on the evening of Thursday, June 4, 1981.

I cite something that is mentioned in the draft report which at times is worthy of a report from the Waffle group of the NDP: The structural weaknesses of our economy; the fact that we have branch plants in a foreign-owned economy where foreign-owned multinational corporations call the shots and we in Canada are powerless to fight back; the fact that the auto pact has created grave difficulties for Canadian auto workers and auto parts companies, not because of the shortfall of demand in our country but because the industry is so dependent on the fluctuations of demand in the United States; the fact that we have a large number of mature industries and of declining industries. While the investors are protected with handouts like the employment development fund's grants to the pulp and paper industry, the workers are told, "If a reduction of operations is taking place, you are not going to benefit in any way."

8:50 p.m.

We have the problem in Canada of lower tariffs which permit a great deal of imports and the problem of tariff and nontariff barriers

which prevent Canadian manufacturers from breaking into other markets and preserving jobs here.

The committee was asked to consider recommendations for more adequate disclosure of the operations of foreign subsidiaries to put them on the same footing as public companies here, something we would support. It was asked to consider recommendations for justification and recommendations for a study of the cost of shutdowns. That should go forward and not be put on the shelf.

The committee was asked to consider—and I hope the majority of the committee would have been prepared to agree—that where there was a viable operation in Canada, for example, a division of a multinational corporation which was retrenching but whose operation in Ontario was viable, rather than watch that operation, those jobs and that technology go down the spout, the government of Ontario and the Ontario Development Corporation be prepared to step in and work with the community, the workers, maybe the management and some interested investors, to keep that division viable and operating, thereby saving those jobs.

I would like to know whether the Conservative members of the committee would have been prepared to continue to endorse that principle, which I think is a valuable one, as they would have had the chance to do if the committee were being continued. It seems to me those were questions on which we would have benefited from the advice of the committee, and I think it is tragic the committee is now being shut down rather than having its work continue.

The committee did not have firm conclusions in the draft report over how much advance notice should be given in the case of shutdowns. That issue has to be joined. Clearly, eight weeks of notice is not enough when one is putting people's livelihood on the line. In our opinion, where layoffs of over 50 workers are involved, six months' notice should be required.

It works in Europe. We even heard of cases where multinational corporations shut down their operations in Ontario because they found the notice provisions and other provisions to protect the workers in France or other Common Market countries were so much tougher they preferred to save the jobs in Europe and let the jobs in Ontario go down the drain. Our workers in Ontario deserve protection at least equal to workers in the Common Market or other parts of the world where they have more progressive legislation.

The question of social impact of shutdowns will be addressed by my colleagues the member for Windsor-Riverside (Mr. Cooke) and the member for Oshawa (Mr. Breagh). In the case of that social impact, the cost to the community surely has to be considered and not just the balance sheet, which is all the people from management who came before the select committee seemed to be prepared to look at.

That is not going to occur until there is a requirement of justification, until companies have to open their books, until they have to show why it is they are shutting down and until communities are given a chance during the process of justification to show that maybe there is another way the jobs can be kept.

We believe it was time for the government to consider and enact the creation of a community adjustment fund which would be funded on the one side by the people of the province and on the other side by companies which were contemplating shutdowns or had shut down their operations.

When the Marmora mine closes down, when the Steep Rock mine in Atikokan closes with the loss of a third of the work force of the community, when the Moose Mountain mine closes, the major employer in Capreol, when Outboard Marine shuts down 1,500 jobs in Peterborough over the course of eight or 10 years, surely the community is entitled to some compensation for the investment the people of the community have put in, an investment which is every bit as costly as the investment the workers have put in or the investment the shareholders have put in? Often, the investors have not put a nickel into the Canadian operation. They started up a branch plant many years ago and it has been expanding and growing on the basis of Canadian bank loans and retained earnings. There was not a nickel of investment in some of those cases.

The investments by Peterborough, Atikokan, Capreol, by the town council in Whitby where Houdaille was located, those investments are very real. The loss of jobs to the community, and the economic blow to the butchers, the bakers, the candlestick makers, the pizza deliverymen and all the other people who provide goods and services to the residents of the community working in that industry, can be very intense.

Surely it is about time that we insisted there be a community adjustment fund that is also a part of a network of legislation designed to protect communities and individuals, save com-

panies and save jobs. I am very disappointed on how inadequate the response of the government has been in the legislation introduced today.

Hon. Mr. McCaffrey: I want to speak briefly tonight to this report for several reasons. Mr. Speaker, you will remember that the last time we had a chance to discuss the workings of our committee in a formal way was in mid-December on the occasion of the tabling of that interim report. For a variety of reasons, all of us were quite rushed that night.

As chairman of the committee at that time, I did not have the chance to do what I would like to do tonight and that is to pay those very proper and richly deserved courtesies to the members of the staff of the committee who helped us so much in our work. In particular, I mean Mr. Graham White, who could not be here this evening; Mr. John Eichmanis, research officer, who was up in the Speaker's gallery earlier; and Mr. Rick Jennings, the research officer, as he is described in the report. Rick Jennings is one of the senior researchers in the Legislative Library here. He did an outstanding job, supported ably throughout by both Graham and John. I know all members of the committee are deeply appreciative of his work.

Rick Jennings assisted us in our many months of work and carried on after we left. This draft report is in part a testament to that. I would say, particularly to the new members, that it is a reflection of the first-class work that is being done by the research people in the library. Our experience of using library personnel as full-time consultants in standing or select committees has been a brief but rewarding one for us and I hope for the staff.

I want to explain why we are tabling this kind of report, described on the Order Paper as a draft final report, sessional paper 57. We had other alternatives. One of them was to restructure that very committee into one with the same title, made up of new members in this new Parliament, to take a look at the questions we looked at last fall and in January 1981. If we had done that there would not be a draft final report available to members of the assembly and I think a lot would have been lost.

I do not think this evening's debate suffers because of the tenuous nature of this piece of paper. Rather, I think there is an opportunity for those who were not on the committee to look through it and, because it is a report without final vote, get a better sense of those things we discussed. There are some 24 recommendations, half a dozen dealing with the

matter of pension vesting alone. I do not think that weakens the report. It reflects the concerns of those before the committee and the committee members. I think it is a more valuable document for that reason.

Nobody has been denied the opportunity in this debate to make his own particular points. The leader of the New Democratic Party has spent a considerable amount of time on the specific issue of severance. Opportunities to get into that matter again in detail will be available to all of us very shortly.

9 p.m.

I wanted to touch on some of the circumstances leading up to this draft report, circumstances that most obviously started with those shutdowns we were all familiar with through the spring, summer and early fall of 1980, and the concerns about the weakness of the auto industry, a North American phenomenon. There were very real fears in the community at large that the spectre of continuing shutdowns was going to continue and maybe even accelerate. There were concerns about job creation, reflected by virtually everybody in this assembly in the former Parliament, and reflected in the determination of the government to encourage existing firms in this jurisdiction to expand through grants—something we have talked about before—and in attempts through the Ministry of Industry and Tourism in particular to get new firms and manufacturing concerns to locate in this jurisdiction. Those were some of the circumstances when we, as a select committee named by this assembly, sat down to begin our work in late October.

I also want to talk briefly about the politics in this place at that time. I think it would be naive and impossible to look at this piece of paper and take part in this discussion without reflecting back on what was actually happening in the latter part of 1980 and in January 1981. We were rapidly approaching an election—there is no question about that. In a variety of ways, particularly because we went to the Thursday just before the issuance of the writ, we knew, or increasingly the feeling was, that we were literally days away from the writ—

Mr. Mancini: We did not know that. The government sprang it on us.

Hon. Mr. McCaffrey: But there was a sense developing the Thursday when we left here, when we were originally scheduled to come back Tuesday, Wednesday and Thursday of the next week, a goodly number of the committee

thought we might not actually get to the final vote and, therefore, to a final report of that committee.

The politics in late 1980 and early 1981, in my judgement, led us as a committee, led the media for certain and led others who were watching our deliberations to see in the issue of severance pay something more than the issue meant at that time. Severance pay became the handle, I believe, the grossly oversimplified handle, to show whether one was sympathetic or unsympathetic to workers who were losing their jobs. I think it distorted a lot of the work being done by the committee. If anybody had wanted to take the time to read the transcripts of the deliberations over those four months, I think he would have seen that. In fact, not very much time—the member for Essex South would remember this better than I—was spent on the issue of severance pay per se.

Let me touch on just a couple of the issues over which we deliberated. I would ask the member for Essex South to interrupt or correct me if I am wrong. The members of the committee learned from witnesses and from one another a great deal about some of the broader North American manufacturing and employment problems, the problems related to a maturing economy. We learned an awful lot about the impact that exchange rates can have on manufacturing concerns. In some instances—I think of our Canadian resource firms—there has been a short-term benefit and a real major benefit from exchange rates.

We learned about the impact of tariffs. We had experts make testimony on that. There was a lot of discussion about foreign ownership, a lot of discussion about investment in the domestic sense of the word. We had great deliberations about the expression “jurisdiction shopping,” where firms in Canada and the northeastern states look around for other states or provinces where they can get the most attractive low tax rate or the most attractive tax deal before they locate. We sensed very much the competition in North America to face this same problem.

A lot came before the committee under the broad heading of corporate responsibility. What is a corporation’s responsibility to a community? Is a corporation’s responsibility as it was some time ago only to the bottom line, as they say?

We learned about people’s pension expectations, their pension disappointments and their fears about the whole question of pensions, both private and public; so severance pay was one of

a number of very important and complex issues before the committee. Notwithstanding that, we began to be perceived as a group of people who were lining up to be either pro or con severance pay, and it was seen to be then either pro or con the laid-off worker. I think that was never the case before the committee.

Just briefly, if I may, I want to say that for my part I learned one major lesson. It was that those who will search for an easy villain in this period of closures are going to be disappointed. I learned that playing the anticorporate politics game is too tempting for some, but it is wrong.

The anticorporate political game, which I suspect people in here can play at all-candidates meetings with real skill, starts normally with an antiforeign bias. One speaks against foreign-controlled multinationals; it has a nice ring about it. In the wake of that attack, sometimes innocently, we attack therefore the Canadian-controlled multinational. That kind of attack becomes a threat to corporations per se. Those who pretend they would slam only the big corporations inevitably make the mistake, through rhetoric, of setting a list of characteristics that make it impossible for the small business, which everybody politically seems to wish to champion; the small business gets caught up in the same thing.

Both in reason and in logic, an anticorporate game impacts those that people are really pretending oftentimes to wish to help. The fact is that there are a great many first-class, small Canadian firms. There are first-class Canadian multinationals whose roots can be traced back to small Canadian firms, but somewhere along the way they lose their political sex appeal if people choose not to support them. It is worse than that; they choose only to attack them.

I remember another committee, the select committee on health-care financing and costs, which sat in the early part of 1978 for some months. We had an opportunity as a committee to get right down to the nitty-gritty of recommending corporate income tax increases to pay for our health care if premiums had been abolished. But neither Mr. Warner, the former member for Scarborough-Ellesmere, nor the member for Hamilton East (Mr. Mackenzie) recommended an increase in corporate income tax rates. That is in the report of the select committee on health-care financing and costs.

If the member for Hamilton East were here, I think he would acknowledge the fact that, going into that committee, that was perhaps a temptation, maybe even a bias. But after we had

worked together with people from Treasury and other ministries we saw the impact that an increase in corporate income tax can have at a time when we are trying to keep manufacturing firms here and encouraging them to expand, and when we are trying to attract new ones here.

On page 17 of sessional paper 57, reference is made to the tribunal. In chapter two, the costs of plant shutdowns, it says: "Plant shutdown decisions are made by corporate management based solely on the costs faced by the corporation. A requirement that shutdown decisions be justified before a public tribunal could ensure that social costs be considered."

That first sentence certainly reflects what the situation has been in the past: "Plant shutdown decisions are made by corporate management based solely on the costs faced by the corporation." I will even go so far as to say there are instances where that is still the case today.

What I wish to make clear is that this does not mean those decisions to close are easy. It does not mean, as some people are inclined to wish to believe, that a closure decision is made voluntarily. It does not mean that an owner or owners do not have a lot of their own blood, sweat, hopes and dreams tied up in that particular firm. It does not mean many corporate owners have not over the years, when we have had slow cycles, had to forgo rewards in the form of profits and during those periods have often chosen to protect their own workers first. There are thousands of instances of that.

9:10 p.m.

A public tribunal, if one follows that argument very far, would be concerned with looking at the books of the corporation and ultimately having to make the decision about what constitutes an adequate rate of return. I do not think there is any denying that. We can investigate the corporation. We can investigate the impact, if it closed, on any given community. But ultimately the real question such a tribunal is going to have to answer is at what point a corporation must continue to stay in business and, in my judgment, the owner or owners, if not the only people to make that decision, are best qualified to do so.

Today's corporations, in spite of a lot of the comments the leader of the New Democratic Party made earlier tonight, do not operate in isolation from the rest of the community. At the very worst, corporations—even bad ones—pay taxes as a minimum condition of doing business. They pay taxes at three levels of government. Those taxes are used to subsidize those impor-

tant cushions, those important programs. All one has to do is go through the latest budget of this government, or any government budget, and seek out the corporate taxes paid to see how many social programs would have to be cut without them.

Closures are not going to stop. It is inevitable, in my view, that if we carry on under the safe heading "Industrial Strategy"—think a little bit about what that means—and modernize some of the old plants, it will mean there will likely be more closures in the future. What is essential, in my view, is that we collectively try to change our attitudes to the three major players in this equation—which is the government's clear goal and the government's record, by the way—the corporation, the owner and the workers.

If we are going to continue to apply yesterday's rhetoric to tomorrow's problems, I am convinced we are guaranteeing failure by doing that. We are faced with a maturing economy in North America and with a real need to encourage our own manufacturing concerns to expand, doing what we can, within the legal framework and tools available to us, to encourage new investment here.

All of that goes without saying, but we are not going to do it if we approach issues like severance pay with an anticorporate bias. This is another tool with which one chooses to punish the business community. We are guaranteeing failure.

Mr. Foulds: So we are going to punish the workers instead.

Hon. Mr. McCaffrey: No, we are not. I do not think the rhetoric from any particular group in the 1960s and 1970s is going to work in the 1980s and 1990s.

Mr. Foulds: Who suffers the most in a plant shutdown?

Hon. Mr. McCaffrey: In a plant shutdown—and the member can measure this—a community suffers a great deal.

Mr. Foulds: Who suffers the most? The workers who lose their jobs.

Hon. Mr. McCaffrey: Probably the workers do suffer the most. But I think we have in place already a good number of important programs to minimize that hurt—cushions, if I can call them that. One was introduced today—it is a new one—and there will clearly be more.

But one can also take a look at countless communities within our own jurisdiction that have benefited tremendously by the contribu-

tions, not only through taxes but also in a variety of other ways, of one or another corporation in that area.

At some point, the New Democratic Party is going to have to find one corporation that it is prepared to stand up and say is a good one. Until they can do that and prove it is not just a multinational or not just a big corporation, and until they can establish that it is not an anticorporate bias that permeates virtually every approach to the things this government has done and is going to continue to do, none of us is going to make any progress.

Mr. Mancini: Mr. Speaker, I wish to take this opportunity to make some comments on the draft final report of the work undertaken by the select committee on plant shutdowns and employee adjustment.

I must say at the very beginning of my comments that at this time we should not be debating the draft final report but we should be debating the final report of the committee. We realize there was an election called by the Conservatives because polls told them the time was favourable. We realize there was an interruption. However, some considerable weeks have passed since the March 19 election and, at the rate the select committee was working, I believe we would have had a fair opportunity to have the report completed.

I can recall very well last year we went through the two emergency debates that precipitated the formation of the select committee. I can recall very well many of the comments made by the Minister of Labour. I thought at that time he was genuinely concerned about plant closings, about employees who had permanently been terminated from their jobs and about the communities both small and large that had been devastated economically. I do not believe I can continue to believe that at the present time, because neither he nor any other member of the Conservative cabinet has raised a single voice to reconstitute that particular committee.

Why is it that a committee that is investigating what happens to workers who have been terminated from their work is not important enough to be reconstituted? Why was it important enough last October to have the select committee formed? Why was it important enough that we were told in our mandate to report to the Legislature as soon as possible? Why was it that we were told we had to have a draft report in before Christmas?

Why were we told that we had to commence

our work immediately in the new year because these plant closings were all emergencies and we had to find out what was happening to the workers and we had to get this information to the Minister of Labour so that he could assess all this and take action as far as legislation was concerned?

This was nothing but shallow, hollow, political rhetoric. It was just a leadup to the call of the election on February 3. It was nothing more than cynical Conservative politics. That is what we have had: cynical Conservative politics.

This evening the Minister of Labour spent just about all of his time going over the legislation on severance pay he introduced this afternoon. Yes, that was one recommendation that was made by the select committee; but that was not the only thing the select committee dealt with. We dealt with the issue of justification, we dealt with the issue of pension and pension reform, and we dealt with the issues of social services and how they were affected when large layoffs occurred.

It seems as if the Minister of Labour has forgotten that all this was written in this draft report. It seems that the only important thing to him was to somehow get out of that famous promise he made to the House. That was the promise where he stood up in the Legislature and told us before the Christmas recess that we would have severance pay legislation and it would be retroactive to January.

9:20 p.m.

Basically, I believe the committee and the committee's work—this draft final report and the debate this evening—are much bigger than the severance pay question. The report went right to the heart of our economy: the type of economy we want and the structural changes we need in our economy. All those were dealt with in a cursory fashion in this report. Yet the Minister of Labour chose to ignore all those vital matters and instead chose to try to explain the legislation he introduced this afternoon, hoping he would have as little flak as possible.

Other speakers have pointed out the depth that was missing in that piece of legislation, and I do not want to dwell on that. I want to talk about the economy of Ontario in general, about what causes our plant shutdowns and about what needs to be done. I want to ask the Conservatives, now that they have 70 seats, if they are going to be able to muster the courage to tackle these structural problems, to ensure that Ontario workers have a future to look

forward to as well as steady employment and, one hopes, a better way of life for themselves and their families.

In the early part of the committee's deliberations, we found out right away what was wrong with our economy. It is dominated to such a large extent by foreign multinational corporations that we in Ontario basically have no say in what is going on, on what is going to happen and over the future of our citizens. I say to the minister, that is wrong.

Mr. Cooke: Why do you not say that to the federal Liberals?

Mr. Mancini: When I make my political career, it will be for more than just criticizing Herb Gray, the federal Minister of Industry, Trade and Commerce. However, I want to get back to the draft report.

We found out immediately in our deliberations what the initial and biggest problem is. I want to take some time this evening to point out to the House the worst example the committee came across as far as plant shutdowns are concerned. I do not have to go far from my home area. I only have to travel from Amherstburg to Windsor to find that worst example of a plant closing with no care for the workers, with complete disregard for the community and, unbelievably, with no justification whatsoever for the closure. I refer to Bendix Automotive, which was in Windsor.

I see many of the new members are here this evening. I know they have not had a chance to read the Hansard reports of those committee hearings. I just want to read some of this back to them so they know why we feel such anger at some of these corporations that locked their doors and crossed the border as quickly as they could.

Mr. Earl C. Smith, president and general manager of Bendix Automotive, appeared before our committee. I asked him: "I would like to know how much equipment was in the plant at the time of closure. I would like to know the condition of that equipment."

Mr. Smith, perhaps sensing the point of the questions said, "There is no question that Bendix Automotive of Canada Limited in its Prince Road facility was facilitated as an ongoing business with the latest and best equipment available for the manufacture of the kind of products that were manufactured there with significant and meaningful investments made in the immediate year of the closing and prior years. In no way was it substandard or consid-

ered secondary in that sense to any other Bendix location. There was a substantial investment there."

I went on to further question Mr. Smith.

"Mr. Mancini: So we can safely say then that the plant itself was in very good condition and all the equipment necessary to carry out a proper business was A-1 as far as the company was concerned?"

"Mr. Smith: Absolutely. In my opinion it was an outstanding facility."

That is the plant they closed. As the questions continued, I asked Mr. Smith where he had moved the equipment that had been in the Windsor facility. I want the member for Oxford (Mr. Treleaven) to know. I asked Mr. Smith where the A-1 equipment was moved to. Incredibly, the answer was: "It is in a bonded warehouse in the United States."

This company, with its headquarters in the United States, gave its Canadian president less than three weeks' notice that the Canadian plant was to be closed. They ordered out that A-1, paid-for machinery—paid for, I am sure, with high tax write-off, deferral or whatever you call what they get from the federal government where they can decrease their tax dollars; so we in Canada helped pay for that equipment. They moved that A-1 equipment to a bonded warehouse in the United States. At that time, they did not even know where the equipment was going. Can members imagine that?

Mr. Nixon: Unbelievable.

Mr. Mancini: It is unbelievable if the Conservative members can sit back and allow any corporation to come into our province, take advantage of all the opportunities we have here and then at the drop of a hat, with three weeks' notice from the United States to the Canadian president that the company was to be closed and his top-notch facility was no longer to be in operation, to have this equipment in a bonded warehouse, not even knowing where it was going.

I do not think that we here in Ontario, and communities such as Windsor, should have to face the severe financial repercussions of irresponsible and callous decisions such as were made by the Bendix Corporation. I do not think we should have to tolerate it without at least being able to seek a justifiable reason as to why the closure occurred.

The philosophy of the members opposite is one of bringing in any business, no matter what it is, because as long as the Premier (Mr. Davis) is cutting ribbons, things are good in Ontario.

That is not true, because as the Premier and the Minister of Industry and Tourism (Mr. Grossman) are enticing this foreign capital to come in, they are not coming in because they like the Premier's silver hair; they are coming in to take advantage of the economic situation we have here in Ontario. They are coming in to take advantage of the stable and productive work force. They are coming in because they can remit their money out of the country at will.

They are not coming in because they think the Ontario Tories are a bunch of great guys. When they close their doors and leave our communities, they leave all the taxpayers holding the bag. So don't think the government is doing any of us a big favour by enticing all of these foreign corporations into our province.

9:30 p.m.

Some time ago the Minister of Industry and Tourism prepared this fact book, which came in this egg crate—I do not know where it was assembled; I am afraid to guess. I want to quote this to the member for Oxford, because he has been in the Legislature for only eight weeks. I am sure he has not had a chance to read it, with all his other important duties. I want that member and all the other members to know what the Minister of Industry and Tourism is doing to entice business into our province and what he is telling business. It is going to take a couple of moments.

The Deputy Speaker: Mr. Mancini, I am just worried whether we are speaking to the report. But if there are no objections, I am sure members would like to—

Mr. Mancini: Mr. Speaker, with all respect, this has everything to do with the report. This report is on plant shutdowns. This fact book asks plants to come into Ontario. It has everything to do with this report.

The first section I would like to quote from is headed "Lower Labour Costs." It states: "In 1978, our average hourly pay for workers in industrial production was US\$6.15 an hour, 37 cents an hour less than the US average, from 33 cents to \$1.81 less than the rate in the Great Lakes states joining Ontario."

When the Minister of Labour and the Minister of Industry and Tourism say they cannot legislate more benefits for workers, because we would then put our production costs higher than those of our competitors, our own Minister of Industry and Tourism says that is not true.

Next page: "On a US basis, Ontario's manufacturing unit labour costs fell by 4.5 per cent in

1978, but they climbed 7.7 per cent in the US, 15.6 per cent to 20 per cent in France, Italy and West Germany, 25.1 per cent in Japan and 25.6 per cent in the UK."

It has this to say about research and development under the title "Incentives:" "Companies may write off 100 per cent of the current and capital expenditures on R and D in the year of the outlay—another significant benefit."

We heard only a few days ago that we could not raise corporate taxes but we could sock it to everybody else. Under the heading of "Taxes:" Corporate income tax as a percentage of book profits for manufacturing companies, 1978: Ontario, 31.9 per cent; Texas, 37.6 per cent; Ohio, 41.3 per cent; New York, 43.1 per cent."

Under the heading "Setting Up Business" there is a chart that states: "Study proves it is far quicker and cheaper to build in Ontario. In a detailed 1979 case study the British developer Slough Estates Limited compared factory construction costs in key foreign jurisdictions, including building costs, procedures and implementation periods. We find that in the United Kingdom it would take 97 weeks to construct this plant; in Australia 77 weeks; in Belgium 41 weeks; in the United States 38 weeks; in France 43 weeks; in Germany 51 weeks; in Ontario 27 weeks.

I believe there is more than enough evidence in the Ministry of Industry and Tourism's own document, *The Fact Book*, to dispel all the baloney we have been getting from the Tories. We have been getting it from the Minister of Labour and from the Minister of Industry and Tourism about the need to make Ontario a place suitable for investment, where investment dollars want to come.

It is also important to protect the workers in those industries. It is important to protect the communities where those industries are located and it is important to protect the Ontario taxpayers' dollars. Every time one of those closures occurs it cost us from thousands to millions of dollars in unemployment insurance, social services, loss of payroll, loss of property taxes, loss of business taxes and on and on.

The Conservative members may think it is great stuff when the Premier goes to cut the ribbon, but their responsibility does not stop there. Their responsibility should also entail the workers and the commitment these corporations have to our province and to our people. I think all workers should be treated the way the Tories treat the New Democrats. They come back with 21 seats and they are treated as if they had 30.

The Minister of Labour—and I know he is listening intently—helped constitute this select committee on plant shutdowns. He thought it was important enough to make a promise in the Legislature late in December, just before the election. If it was important enough then, it is surely just as important three or four months later. Let us reappoint the committee on plant shutdowns. Let us get a final report from the committee, not a draft final report. Let us really find out what happens to workers when they are thrown on the industrial scrap heap after these closures take place.

Mr. Breagh: I want to make some comments about the matter before the House tonight because I think the process and the subject matter is something we should take note of.

This time last year, in my area, the realization dawned that something unusual was happening. People's lives were being affected adversely. By this time last year, about six major employers in our area had decided that their production facilities in the Durham region should close. They were in various states: some had already closed their doors and moved their equipment out; some had given notice; some had told their employees; some had not. There was a good deal of flux and flow in the area. It was beginning to get to the level where at this time last year in the Oshawa area we determined we had lost about 3,000 jobs in about a six-month period.

9:40 p.m.

In the course of providing these notices, one of the places that had posted its papers and fulfilled all the requirements Ontario at that time required for the closing of a plant was a place called Houdaille. In the course of the summer period at Houdaille, the people who worked there decided there was a need to say as sharply and as clearly as they could that it was not fair, not right, for a company like KKR to come into a community like Oshawa to make full use of all the federal and provincial incentives that were there for industrial redevelopment, in fact to re-equip a plant with about \$10 million worth of new equipment, make money on the situation, and then decide as a corporate entity it would simply provide notice and close its doors.

The occupation of a plant last year in Oshawa got a good deal of media attention and focus. I do not believe any other member of this House was present during the course of that occupation, though I was. During the 14 days that the

workers occupied the plant itself, in the middle in the afternoon and in the middle of the evening, one would find people who had spent their lives working in an industrial plant like Houdaille, not a very pleasant place by many people's standards, but reasonably well paid. The reason was that it had a good union with the ability to negotiate a decent wage and benefit package for its employees, and it did that.

These were people who live in my neighbourhood, across the street from me, around the corner, people who were friends, people who had worked for me in previous elections, people I met everywhere I went. Through the course of the occupation of the Houdaille plant a sinking feeling came to almost everyone I met. They did not understand what they had done wrong. In fact, they had done what everybody else said they ought to do: go to work; try to work hard; lead a good life; participate in a union and in the political process. Yet it seemed to many of them and to their families that the whole thing was relatively hopeless and that there was a need to take action on their own in a manner which I suppose most people on the opposite side, being very interested in this evening's debate and in having friendly little chats and gossiping with one another, really do not give a damn about.

Many of us in Oshawa had questions as to whether the occupation of a plant was really the proper technique to use. I must say it was rather an amazing experience when an entire community decided that the Houdaille workers, among all the other workers in the area who had been rather hard done by in the industrial complex in our area, were right. Never mind the laws of Ontario about occupying private property. Never mind that some might have seen that as illegal, though the Attorney General and Solicitor General (Mr. McMurtry) and everybody else who was a general around here did not bother the workers very much. There was general agreement that, in that instance as in some others, a bandit corporation had acted irresponsibly.

Out of that came an interesting set of discussions. Through the fall during the last Parliament there was a select committee dealing with this. We tried as best we could to provide to the select committee, as we had to previous legislative committees, some people to offer opinions and some evidence as to the effect of all these shutdowns and layoffs on a community like Oshawa. I invited the mayor to bring some members of his council before the select committee. I followed its proceedings, and General Motors came in and made their views known.

In general, we gathered the consensus that these shutdowns were an expensive proposition for the regional municipality of Durham, probably around \$30 million this year, in various shapes and forms. Many of us who have friends and relatives who worked in these plants that went down in our area had to learn to live with the tragedy that is there. The municipality has the additional expense of trying to arrange some form of retraining or some relocation of these workers, many of whom are very difficult to place at that time in their lives.

Corporations responded in their various ways. Out of the 19,000 people who work at the General Motors facilities in Oshawa, I think about 100 of them are people who came out of these other plants in our area. They came out of Houdaille, Firestone, Pedlar Castings, Robson-Lang and some out of Chrysler.

The odd thing that remains is that we used the legislative committee, with supposedly all the powers of this Legislature. We used the staff we have around here. Those who worked with this committee were people I happen to know personally and have used in other circumstances. They are fine, intelligent, competent and sensitive people.

The upshot is the guy who lives across the road from me put in 20 years at Firestone and did what he was supposed to do. He has spent the last year wandering around in various retraining programs, sometimes able to get a bit of a job for a two or three week period. Every day of his life he now lives with a kind of inward shame not knowing what he did wrong, but he must have done something wrong because the job he had is not there any more. He and his family, and the community he lives in, paid a price for that and, frankly, no one seems to give a damn.

As I look around this evening, there are lots of pleasant little chats under way on the government side. There is a thing before this House tonight called sessional paper 57. I do not know what the hell that is. Let me tell you the guys out at Houdaille do not know what the hell it is either and they do not care. The guys at Firestone do not know and the families which were destroyed when Robson-Lang closed down do not know and do not care.

They do not know this debate is going on tonight. All that time, all that money, all those people have been wasted. What have we to show for it after all that exercise of parliamentary democracy, after all the expertise that was before the committee, after the mayor and

members of council came down here and tried to explain the problems that would be generated? Just what the hell did happen?

What did the government do for the guy who used to have a job at Houdaille who is sitting tonight at his kitchen table, probably with a bottle of rye, trying to figure out how to put his life back together again. There are no answers. That is the sad thing. This House, with all its ability, with all its resources, has failed those human beings.

Many are personal friends of mine. They are people I have known for a long while. They do not deserve what happened to them. They do not deserve to have their personal lives ruined and to be considered some kind of social phenomenon that ought to be examined by sociologists, that ought to be written up by scholars, and that ought to wind up as some damnable document called sessional paper 57. They do not deserve that at all. They deserve an even break.

The responses and answers we want are not mysterious at all.

Last June about this time, when Firestone was a subject of some concern to the Legislature, we brought them in. They were guys out of the union, guys out of management. We brought them before the legislative committee. We put in front of the committee what it was like to lose one's livelihood. The same is true for management people as for the hourly-rated worker except, of course, there is a little buffering, a little sweetening and a little more potential to regroup, retrain and get one's life in order again.

But the upshot is the same for everybody when a plant closes down, whether it is the guys who work on the floor at Houdaille or the women who work in the office at Houdaille. It is not pleasant for either party.

We brought them here and we said: "Here it is. This is what it is like when a plant closes." Everybody nodded a little. There were a few unfortunate remarks made by some members about how they were almost ready to break into tears.

I congratulate the people we brought here for showing restraint. I think about it being my job that had gone out the window. If the response of the government of the day was, "That is too bad," and somebody made a wisecrack, I think they had every right in the world to hit him over the head with a chair, table or a wall, because they deserved a decent hearing.

For the most part last June and throughout the work of the select committee I think we

revealed, and the decent hearing process helped, that there was a chance for people to come before a committee of this Legislature and tell their stories. There was a chance to identify all the things which might have been done. We had identified those last June, I remind the House again.

Clearly, on the part of the government, there was some choosing of things it was prepared to do and other things it was not prepared to do. But it has been no secret for a long time that what a government can do is relatively limited and relatively simple, and that it requires an act of will on the part of the government to plan its economy, to intervene when its workers are being screwed by its own system, to require some justification for shutdowns, to provide for severance pay, to provide for portable pensions and to provide for retraining, and to do so in a way that means something to the human beings who are involved.

9:50 p.m.

At the end of it all it is not an academic exercise. To the people who lost their jobs at the plants that have shut down in my area this whole exercise tonight is useless. Worse yet, they will probably be expected to pay with their tax dollar, without any beneficial effect at all, for all the proceedings that have occurred.

As a matter of fact, at the end of this whole exercise so far—I do not exclude the possibility that the minister might change his mind or change his ways, but I do not have a great deal of hope for it—one piece of legislation is being proposed, which the minister introduced today and which, for all of these people, all the ones who identified the problem initially, will do not one damn bit of good. If anything, the legislation that came in today will be an insult to the people at Houdaille who paid the price and get nothing in return.

The work of the select committee may go down in history as something that was useful in an academic sense; but in the one simple, fundamental way that a Parliament might be useful to its citizens, and particularly to the people in my area and across the province who are the victims of plant shutdowns, this whole process has been a useless exercise. For them nothing of any consequence has occurred. Lip service has been paid. The government of the day has said that it cares; it has provided some evidence, some visible indication, that it will move in some small way to provide some legislative production. But for guys like Bill Rudyk that does not mean a damn thing.

This government has done nothing for Bill Rudyk. Rudyk did what society asked him to do: he went to work in a bumper plant for about 25 years. He has not been retrained; he does not stand a hell of a lot of chance of getting a new job or replacement. The same is true for literally hundreds of other people, thousands of other people in my area alone, who have paid the price in direct and personal terms—as have their families and the rest of the people who live around them—in our costs for policing, in the escalation of batterings that occur in the home, and in the escalation of incidents of alcoholism that occur in our community. That is a heavy price indeed to pay just for the basic proposition that a government should not intervene in the workings of the private sector.

This should be a sad occasion, because it is a recognition, whether the members want it to be or not, that this Parliament has failed its citizens. This Legislature was unable to deal with a problem that was surely identified very clearly. It has failed to deal with alternatives that were identified equally clearly. And it is an unfortunate situation for the human beings from one end of this province to the other who have been affected that the end result of all of these words, of all of this expectation and discussion, is a thing called sessional paper 57.

Mr. Williams: Mr. Speaker, I feel privileged to have an opportunity to participate in the debate this evening on the draft final report of the select committee on plant shutdowns and employee adjustment.

First and foremost I would like to recognize the fine work and effort that the chairman of the committee displayed throughout the deliberations and hearings of the committee. I think the member for Armourdale (Mr. McCaffrey) was exemplary in the manner in which he conducted himself in a very difficult situation. On occasions when tempers were high and the rhetoric was coming hot and heavy he seemed to be able to maintain a firm hand and control on the committee, to ensure that everyone had an opportunity to be heard and to ensure that the business of the committee was carried out in a responsible manner. I compliment the chairman for the way in which he handled himself and the way in which the committee as a whole responded to his leadership as chairman.

I would like to go back to the beginning when the committee got into action and the way in which it set itself up. I think it gives us some indication as to the reason for the way in which things unfolded as the hearings proceeded.

I think it was incumbent upon the committee to acquaint itself with what the existing laws were within our own province and what government policy was with regard to pertinent legislation. This applied to legislation whether it was in the jurisdiction of the Ministry of Labour or the Ministry of Industry and Tourism or within the Ministry of Consumer and Commercial Relations. All of these ministries have legislation that has a direct bearing on the activities in the labour market and in industry and commerce in general.

I think perhaps one of the most informative days we spent in the hearings was the first one when we had an opportunity to hear representations from officials of the Ministry of Labour. At that time they had an opportunity to present to the committee an outline of the legislation that has been enacted in this province over the years. I think a lot of the members, in receiving a summary of this legislation and policy that has been developed over the years, could not help but be impressed by the fact that Ontario has some of the most enlightened labour legislation to be found anywhere in the world.

I think this is something that was overlooked. The extent of the legislation I guess really is one of the reasons why this government has been in power for all these years. We have been able to meet the needs of a changing society and the needs of an industrial province and the needs of the working people. This was clearly reflected in this report that was put forward in the opening hours of the committee's hearings.

While some members of the committee were inclined to turn a deaf ear to some of the positive things that were happening and that had been accomplished by this government on behalf of the working people in this province, the evidence was clearly there. I think the ministry is to be commended for the detail in which it was able to make its presentation to the committee on such relatively short notice.

It certainly set the stage for the work of the committee. In looking back I was impressed with the overall activities of the committee—the overall balance of presentations from labour, from management and from government. As the chairman of the committee said in his remarks earlier this evening, in order to have a balanced perspective on what the committee was all about one had to recognize throughout the hearings it was really a three-party involvement. It was not just a question of what management was doing with regard to plant shutdowns. It was not just a question of what

was the role of government in expressing an interest and concern in this matter. It also involved labour and those who represent the working people in the labour unions.

10 p.m.

Overall, I was impressed and felt that all three sectors performed well before the committee. I was impressed by their frank and open presentations to the committee that were most helpful to the members and enabled them to understand the complexities of the problems that confronted the economy of Ontario at the time in certain specific sectors of our industrial society.

There were the odd exceptions where representations were made to the committee that seemed to be extreme and somewhat radical and perhaps a little less than objective, but I think by and large all of the presentations were made with conviction and with sincerity; save and except one or two exceptions where one or two unions presented rather militant and provocative briefs to the committee that one would almost think had been scripted by the research writers for the New Democratic Party. Over and above that—those one or two exceptions—I think the presentations were thoughtful, informative and helpful to the committee.

The chairman mentioned earlier in his remarks, and I think it bears repetition, the fact that all of us were somewhat surprised by the complexity of the problem. The question of jurisdiction shopping and the term global mandating are new terms and clichés which we had not even known existed on some occasions. Yet these are all very relevant terms that were components in the overall complex picture that was laid before us.

While we are all obviously aware of the adverse recessionary effects at the time on business in general, I do not think some of these broader issues had really been brought to our attention prior to their detailed assessment and presentation during the committee hearings. I do not think any of us had realized the matter of competitive shopping between neighbouring jurisdictions was so significant in the industrial field.

The whole matter of foreign ownership was exhaustively discussed and reviewed. As is commonplace, the foreign corporations became the whipping boys of those on the committee who were looking for somebody or something to whip. This seems to be tradition. That has been reflected here again this evening when we saw the leader of the third party rising in the House and starting where he seemed to have left off in

the past of taking to task the big foreign corporations, the multinationals. It seems he has an obsession with that part of our society and feels that all the ills and wrongs of our society seem to be concentrated in that one area.

It is unfortunate that this type of tunnel vision prevails, particularly with regard to a leader of a provincial party. Probably one of the reasons he finds himself in the difficulties that he is in today is because of this tunnel vision approach and doctrinaire view he has, whereby everything in society seems to be less than satisfactory unless it has a clearly socialistic solution to it within his vision.

Certainly, foreign ownership was and continues to be a concern of all of us, even though it is taken to extremes by people such as the members of the New Democratic Party. On the other hand, we on this side of the House, as well as the members of the official opposition, recognize that there are certain problems that may be associated with a significant degree of foreign ownership in this country.

However, I think this argument has been exaggerated too much and too often by the opposition parties, to the point where they are virtually scaring off legitimate foreign investment in this country. I have said in this House in the past, and I reiterate it, that I think one can flog a dead horse too often.

While foreign ownership seems to be the only whipping boy the third party has, it has caught the attention of the official opposition in recent months, and they seem to be getting on that same bandwagon, to the overall detriment of industrial development in this province.

Industrial concerns from across the border and around the world watch what goes on in this province and in this country. They see us as a province and a country of political and economic stability. But when they hear these cries of doom and gloom and derogatory statements towards those who show an interest in coming into our country and our province to invest and build, clearly it must be disturbing and upsetting to these people. If they hear enough of it long enough, they obviously will start to have second thoughts about whether they should take these investment risks.

One has to understand clearly that, if it were not for foreign investment, we would not be enjoying the high standard of living we enjoy in this country today. We have learned a lot from the foreign companies and the foreign investors in this country, and we have accomplished more

in 113 years, as far as industrial progress is concerned, than our neighbours to the south accomplished in twice the time and other industrialized countries in the world accomplished in four times the time. Of course, we have been able to capitalize upon their technology and knowhow and we have benefited in that fashion.

It is important that we keep a clear perspective. While I want to speak in particular about some of the organizations and groups that came before the committee, the two I was most impressed with were representative of the small business community.

It always seems the small businessman, like the middle-income earner in society, is caught in the middle between the underprivileged and the overprivileged, the big companies and the individual entrepreneurs. It seems the small business entrepreneur is caught in this problem of big government and big labour unions and big business.

It is therefore interesting to see that the two representative organizations for small business in Ontario, the Canadian Organization of Small Business and the Canadian Federation of Independent Business, both made very significant, worthwhile and positive contributions to the committee's deliberations.

10:10 p.m.

It is interesting to note that two of the suggested recommendations made by the former association I referred to, the Canadian Organization of Small Business, are contained in the bill tabled in the House this afternoon by the Minister of Labour. One was a suggestion with regard to severance pay proposals, that individuals who decline offers of approximately comparable employment should not be eligible for severance pay. The other suggestion was that there should be a minimum of five years' seniority as a requirement before employees may become eligible for severance pay.

The Deputy Speaker: Time, Mr. Williams.

Mr. Williams: Mr. Speaker, I was just starting to get warmed up on this matter, and I thought I had two and a half hours to go, but I understand my time has been somewhat limited and I will have to live within those time constraints.

I can only conclude by saying that, by the introduction of the legislation today by the Minister of Labour, we again have a clear example of our government keeping the promise for the people of Ontario.

The Deputy Speaker: Mr. Wrye, I would like

to explain that, according to the division of time, I think you have approximately five minutes.

Mr. Wrye: Mr. Speaker, I want to say that, if the member for Oriole wanted a little more time, perhaps we could have had more than the pittance the government has offered us to debate this important matter, but we will have to suffice with two and half hours to debate the future of the workers of Ontario.

At the outset I want to talk a little about some of the specific recommendations of the draft report, a report that I hope, but do not expect, the government will take under careful consideration and a report that I fear will feel the weight of many dusty years on the shelves of the government.

When I first got from my old business into this new one of politics, I promised myself that I would not always be partisan; that I would give credit when credit was due. I see the Minister of Labour has come back. I want to say that I welcome the legislation on severance pay. It is long overdue. I want to give credit to the minister, who has obviously fought it through a cabinet made up of very conservative Conservatives and brought forward legislation that is a small step forward in this general review of matters in the draft final report of the committee.

In the few minutes I have, let me deal first with a local matter. I guess I am pleased in the sense that the committee saw fit to deal with it in its draft final report. On page 25 of the report there is a recommendation that goes to the heart of the problems we face in Windsor, a community that has faced the worst unemployment crisis in all of Canada in the last 18 months. The statistics bear that out.

The recommendation says: "Information on the full social costs of a plant shutdown to Ontario as a whole is inadequate. The full costs borne by laid-off workers, their families, local communities and local, regional, provincial and federal governments is unknown."

So the final report recommends, and I wish the government would pay great heed to it: "A provincially funded study should be undertaken to ascertain the full social costs of plant shutdowns and indefinite layoffs in the Windsor area. This study should include a profile and subsequent tracking of the affected employees, the impact of social services in the area and costs, including lost revenue, borne by all levels of government."

May I suggest tonight to the Minister of

Labour that, while he is dealing with the many recommendations of this draft report, he should look at this one and recommend to cabinet that the Minister of Community and Social Services (Mr. Drea) look into the implementation of this important recommendation, which could give us great headway in terms of the problems when we face them in the future. Make no mistake, the problems we face with industry will lead us time and time again to cyclical shutdowns in many industries. We hope they will only be of a short-term nature, but they are shutdowns we should be prepared to face at all levels.

There are a number of additional recommendations in this draft report to which I would like to speak in the time remaining. In many ways, the draft report is literally a direct steal from the very fine industrial strategy that my colleague the member for London North (Mr. Van Horne) alluded to earlier in the debate, an industrial strategy we brought in during the campaign. Unfortunately, this time the voters did not feel they should adopt it. I am sure they will next time.

I want to read a couple of the recommendations of the draft report. The first is: "The Ontario government should develop an industrial strategy emphasizing high-technology industries and industries to which Ontario is uniquely suited." In addition, the select committee recommended: "Government aid and support should be directed to domestic owned firms."

There are a number of other recommendations in the draft report that go to the heart of the matter in terms of the government procurement program. I hope this government, which promised that kind of procurement program in the throne speech about which there has been a lot of rhetoric but no implementation, will follow its own recommendations as time goes on.

There are a number of other things I would like to speak about, but I am told time is running out. I will just say in addition that there is one other area the government should be looking at, and that is the area of justification. I refer the minister to page 26 and the first recommendation under public justification, which says:

"A firm planning a plant shutdown or mass layoff be required to appear before a public tribunal appointed by the provincial government. The appearance would be required before the firm issues notice to its employees as required under the Employment Standards Act."

We need some public justification of plant shutdowns. My colleague the member for Essex

South (Mr. Mancini) referred to the shutdown of Bendix early last year and the fact that there was no justification, simply a shutting of the doors. That cannot be allowed to continue. I hope this government in its wisdom and with its majority will choose to move towards some progressive actions in the future.

Mr. Cooke: Mr. Speaker, I too wish we had more time to debate this report. However, I would not want another two and a half hours if it meant that the member for Oriole (Mr. Williams) were going to speak for that time. That would be unanimously agreed upon by this side.

I do want to touch on a few points. As a member of the committee that reviewed the problem of plant shutdowns and employment adjustment, I can say the problem is getting worse in this province, not better.

When we discuss the severance pay bill introduced today, we will certainly talk about the inadequacies of severance pay. It is a step in the right direction, but our guesstimate is that the bill will cover approximately 25 per cent of the people who are on permanent layoff in this province. That is obviously inadequate.

In the first three months of this year, we have had 23 plant closures. If that rate continues, we will have 90 plant closures this year, compared with 68 in 1980. The problem is getting worse, and there is clear justification for the select committee on plant shutdowns and employee adjustment to be reconstituted so it can complete its report and make satisfactory recommendations.

I must endorse the comments made by the member for Oshawa (Mr. Breaugh). I feel really uncomfortable speaking in this debate tonight, because after the cost of that select committee to the taxpayers and after the work that was put into the presentations by the various groups—whether they be business, labour or individuals—that committee was short-circuited by an election that was called on the same day as we were to start writing our final report.

I urge the Minister of Labour and the cabinet to take a look at that committee and to reconstitute it for this summer so we can look at the problem and come up with some unanimous or consensus recommendations.

10:20 p.m.

We looked at a number of the problems, and again severance pay was only one of the small items to help workers who lose their jobs through plant closure. Other points were justification, adequate notice, community costs and

community adjustment and, most important of all, an industrial strategy that will turn this economy around, make the economy Canadian controlled—an economy that has been sold out to American interests by our federal Liberal friends and our provincial Conservative friends.

The member for Essex South (Mr. Mancini) talks about the lack of Canadian control of the economy, but his friend Mr. Gray is in charge of the Foreign Investment Review Agency, and I have not seen any massive reforms in that particular agency since he took over as Minister of Industry, Trade and Commerce.

The Bendix situation came before the committee, and I am sure all the committee members were alarmed at the way that company closed its plant. On June 16, 1980, at a negotiating meeting for a new collective agreement for both plant and office workers, Locals 195 and 240 of the United Auto Workers, the union was made aware that Bendix was doing studies as to which plants were feasible.

We have all heard of these feasibility studies. As soon as one hears of a feasibility study, one knows that plant is out the window. There are rumours for three months, which are all denied, and then eventually the plant is closed.

The union asked the company about the problem at that time and was told there was a feasibility study. As a result, negotiations broke off, and on June 20 a meeting was held. The corporation representatives made a statement that they were closing the Windsor plant as of that moment.

If you can believe it, Mr. Speaker, the company asked the union representatives to go from where they were negotiating over to the plant and help them tell the workers and provide for an orderly exodus of the workers on that particular day. Can you believe a company using those kinds of tactics, giving eight weeks' pay in lieu of notice, saying on Friday, June 20: "Your plant is closed. You have no job. We are not giving you a reason," and then asking the union to help them make the system work by getting the workers out of the plant?

Obviously, the workers at that plant were upset, and eventually the plant was occupied. It was only because of the occupation that the company was willing to negotiate with the union, and eventually a satisfactory agreement was attained, if any agreement can be satisfactory to workers when their jobs are lost.

As the minister will know, the union contacted him on July 2 and asked if he would investigate, but his position at that point, accord-

ing to his officials, was that the decision had been made and there was nothing this government could do. Obviously, under present legislation, there is nothing this government can do. Bendix refused to set up a manpower adjustment committee.

Incidentally, that plant was a profitable plant, with the exception of a short period in 1980. The manager who appeared before the committee indicated that it was profitable and that he thought it could maintain its profitability but, in his opinion, by transferring the production from Canada to the United States more profits could be made. That was the justification in this particular case.

We in this province lost 500 jobs at that time, and there had been at one point up to 900. So it was a loss of 900 jobs to the economy as well as a continued increased deficit in auto parts, because now we import those parts from Bendix into Canada.

I wanted to talk about SKF, another example, but I do not have much time; so I will skip that one. I do want to make a couple of comments about the layoffs at McDonnell Douglas. That was one that upset me and most of the committee members.

The McDonnell Douglas people came before us. They were losing 1,000 jobs after a multibillion-dollar contract had been signed for the F-18 with the federal government. The company officials had not seen the contract for the F-18. They had to bid for any of the subcontracts on an equal basis with any other companies that could fill those contracts in Canada. They got no preference. As a result, we spent billions of dollars to get the F-18, and we lost 1,000 jobs at McDonnell Douglas. The Canadian management had absolutely no input, no knowledge, none whatsoever. Obviously, McDonnell Douglas is an excellent example of the problems of a branch plant economy in this province, a problem this government refuses to come to grips with.

I want to talk about some of the community effects of plant closures and the cost to the community. I think there is an economic basis to why there should be justification; why plants should be stopped from closing their plants if they cannot justify the closing.

First, let me quote from a report that was done a year ago by the mayor's committee on services to the unemployed in Windsor. It says: "Some agency representatives are perceiving an increase in mental health and alcohol- and

family-related problems. They attribute the increase in the incidence of these problems to unemployment.”

It goes on to talk about family breakdowns, increased demand at social agencies, people not being able to make it on unemployment insurance and general welfare assistance and the resulting anxieties it creates. It talks about loss of homes and a total destruction of people's lives. It is not only a loss in human terms; it is also a very real loss to the taxpayers who pay for these welfare programs, unemployment insurance programs and the various social agencies.

When the mayor of Oshawa came before our committee, he indicated they had had a direct payroll loss of \$21 million annually; a loss of sewer and water revenue of \$250,000 resulting from the Houdaille closure alone; a loss of \$900,000 by the public utilities commission from Houdaille's closing; a loss of sewer and water revenue of \$100,000 from the Firestone plant closure; a loss of business assessment of \$2,458,000 and an increased cost of \$3.3 million in general welfare.

Obviously there is justification for setting up a study to find out the full cost of unemployment. One of the recommendations I think we were able to get through the committee—one that I pushed for—was that Windsor should be the city chosen for a detailed study of the cost because of the extremely high unemployment there over a number of years now. I hope the Minister of Labour will pursue that matter, because I think it is incredibly important for planning.

I want to spend a little bit of time quoting from another study. It is a study that was done in my riding on the Drouillard Road area 25 years after the massive plant closure of Ford when

they moved to Oakville. I think this study 25 years later indicates very clearly the problems of plant closures.

On page one of the report it says: “The Drouillard Road neighbourhood has been in existence for a number of years. The area began to develop around the turn of the century when the Ford Motor Company moved in. This industrial development brought with it an influx of workers and their families into the area. Residential and commercial development flourished during the next 30 years. Drouillard Road became known as a thriving shopping district in the late 1940s.

“When the Ford Motor Company moved a part of its operations”—it was 5,000 jobs they moved—“to Oakville in 1953 there was a decline in the neighbourhood. The work force was cut in half. People began leaving the area, businesses began to fail and the total neighbourhood suffered as a result.”

I do not have time to quote the other parts of the report I wanted to refer to tonight, but it is a rather massive document. It talks about the high crime rate that exists in that area. Something like 60 per cent of the storefronts are boarded because the whole community has literally been destroyed. We have a high incidence of alcoholism in that area. We have a high crime rate. We have juvenile delinquency problems and a generally rundown area that can all be attributed to the plant closure of 25 years ago.

I wish we had more time to debate this matter. We will debate it somewhat on the severance pay bill, but I think there is much more this government can and must do. I hope one of the things it will do is look at conducting a study in Windsor. I hope it will also reconstitute the committee.

The House adjourned at 10:30 p.m.

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No. 38

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Friday, June 5, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, June 5, 1981

The House met at 10:02 a.m.

Prayers.

VAUGHAN LAND USE

Mr. Smith: Mr. Speaker, I rise on a point of privilege pertaining to a lengthy statement made in the House yesterday by the Minister of Housing (Mr. Bennett) concerning his involvement in official plan amendment number 95 of the town of Vaughan. I have a number of points to note, which arise by reason of the length of the minister's statement.

First, the minister stated that Mr. Webb did not represent the owners of the land but rather those who objected to ministry approval of this residential amendment. The record should show, as does the Ontario Municipal Board file, that Mr. Webb represented five clients who objected to have their nearby lands included in the hearing for the express purpose of seeking a change in the official plan from rural area to rural residential. Once these lands were included, Mr. Webb then argued in favour of the rezoning, and he is now petitioning the cabinet to have the OMB ruling overturned.

Second, the minister was trying to explain why he was seeking clarification from the Minister of Agriculture and Food (Mr. Henderson). He stated that his staff, not he, sought clarification from the Ministry of Agriculture and Food in November 1978. What he did not indicate, however, was the substance of the response, because he did get clarification on December 11, 1978. The response included comments on certain portions of the land that the minister did not mention, including a positive objection to lots 27 to 31, which constituted about two thirds to three quarters of the land in question.

The last point I want to make has to do with some comments the minister made regarding a letter I sent him on the subject of the so-called Stoney Creek fruit lands. I have made that letter available to the press. The point in the letter is perfectly obvious: the lands were not in need of rezoning, as the minister suggested, because they had been zoned industrial for some time, as is well known to the present member for Wentworth (Mr. Dean). The problem was the freeze

that had been imposed.

At the request of the regional chairman and the mayor, and recognizing Hamilton's need, I suggested that if the lands could no longer support fruit growth, as most of them could not, the minister would want to reconsider. That letter has been made public. The suggestion of the minister is so silly as hardly even to bear discussion in this House.

Interjections.

Mr. Speaker: Order.

Mr. Smith: The real question, which the minister deliberately obfuscated, is that, although his staff sought and received clarification, the Minister of Agriculture and Food was none the less contacted after August 1979, after the matter went to the Ontario Municipal Board; it was already at the board, sent there by the Minister of Housing (Mr. Bennett). The point is that the Minister of Housing was then apparently in contact with the Minister of Agriculture and Food.

What this House will still have to know, despite the obfuscation of yesterday, is why, once the matter was already sent to the Ontario Municipal Board, the Minister of Housing still found it necessary to request a further clarification from the Minister of Agriculture and Food. That is the question that still has not been answered and I presume at some later point the minister might wish to answer.

Hon. Mr. Bennett: Mr. Speaker, I am sorry I missed the first comments of the Leader of the Opposition. Let me try to answer one or two of the points that it was suggested I omitted to look at.

First, in the case of Mr. Webb: Mr. Webb very clearly was opposed to the amendment that was being offered by the municipality of Vaughan, and in his letter of September 15—which I am sure the Leader of the Opposition happens to have in his possession, because he or his research people took a photostat of it from the file that happens to be in the Ministry of Housing—in the last sentence he makes the request that this item be referred to the Ontario Municipal Board—

Mr. Smith: So that his clients would be included.

Hon. Mr. Bennett: I beg the member's pardon?

Mr. Smith: Because his clients had land nearby.

Hon. Mr. Bennett: I could not care less. He asked for it to be referred to the Ontario Municipal Board. The reasons that it was referred to the municipal board are entirely in the legal mind that he wishes to use.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett: The last comment I understand the Leader of the Opposition made was to the effect that, some time after the item was referred to the Ontario Municipal Board, I continued to communicate with the Minister of Agriculture and Food. That is not so, to the best of my knowledge, although there might have been a phone call or some other information.

Just so the leader of the second party will keep things straight: We received a letter from the Minister of Agriculture and Food in October 1978 indicating his position. I hope the member for Brant-Oxford-Norfolk (Mr. Nixon) is taking note of what I am saying. In November 1978, the ministry asked for clarification. On December 8, 1978, Mrs. Santo made a tour of the site. On December 11, the Ministry of Agriculture and Food referred to us, stating more clearly what their position happened to be on the land. On December 17, there was a letter from the owners asking for partial approval, as I noted yesterday.

On January 25, there was a memo from Mrs. Santo to me indicating very clearly she believed that the item should not be partially dealt with but that the whole item should be referred to the Ontario Municipal Board. On March 8, 1979, I referred the entire subject to the Ontario Municipal Board for its approval.

As the Leader of the Opposition knows, the decision was rendered by the Ontario Municipal Board. On February 24, 1981, official plan amendment number 95 was not approved. It is now being petitioned to cabinet by at least five or six people, if not more, who have varying views and opinions.

10:10 a.m.

Let me touch on the last item, the Leader of the Opposition's letter to me, which I am glad he did circulate, because he now is trying to say that the member for Wentworth North (Mr. Cunningham) is saying that the person he was

talking about wanted only 20 acres. What we are really trying to do is discard principle for the number of acres.

Mr. Smith: What is the minister talking about? He is being silly.

Hon. Mr. Bennett: The Leader of the Opposition should not talk about being silly, because that is exactly what he is attempting to do.

Mr. Speaker: Order.

Mr. Smith: Read the letter into the record.

Hon. Mr. Bennett: I can read this letter as well as the Leader of the Opposition can. Since he has given it to the press, the need is not that great.

Mr. Smith: Read it into the record.

Hon. Mr. Bennett: Okay.

"Dear Claude: Re: Regional municipality of Hamilton-Wentworth official plan: Given the enormous need the city of Hamilton has for industrial land, and given the fact that a strip of land on the south side of the Queen Elizabeth Way was zoned industrial by the former township of Saltfleet, why do you persist in freezing development on the land against the wishes of the regional municipality?"

Mr. Nixon: What is the matter with that?

Mr. Bennett: I am not saying there is anything the matter with it.

Mr. Speaker: Order.

Hon. Mr. Bennett: I am suggesting that the sanctimonious leader of the member's party, who wants to talk about preserving fruit land, all of a sudden decided that maybe we should not preserve it.

Mr. Smith: Keep reading. Read the whole letter, please.

Mr. Speaker: Order.

Mr. Smith: Mr. Speaker, on a point of privilege: I demand the minister read the rest of that letter. There is another paragraph. There is only one more paragraph. He has to read it. He cannot read half a letter.

Mr. Speaker: Order. Mr. Smith, that was a very unfortunate choice of words.

Mr. Smith: What choice of words? I beg your pardon?

Mr. Speaker: You demand nothing. Mr. MacDonald.

Mr. Smith: On a point of privilege—

Mr. Speaker: Order. Order, please.

Mr. MacDonald: On a related point of privilege, Mr. Speaker: A week or so ago, when this

whole episode was first raised in the House, the Minister of Agriculture and Food did some grandstanding. He said that if there were differences between the experts in his ministry and himself that was good and showed how much freedom they were given. We now discover in the Globe and Mail this morning that he is lecturing them never to do that again.

Mr. Speaker: Order. That is not further to the point of privilege.

Mr. Smith: On a point of privilege, please, Mr. Speaker:

Mr. Speaker: I think this is degenerating into a debate.

Mr. Smith: It is not. Good heavens!

Mr. Speaker: Order. Is it related to the same point?

Mr. Smith: It is the same point. It is exactly the same point.

Some hon. members: Sit down!

Mr. Speaker: Order. Continue.

Mr. Smith: I would request that the rest of the letter be read into the record by the Minister of Housing. But I will read the rest of the letter into the record since the Minister of Housing chooses the paragraphs he prefers.

Mr. Riddell: They are pretty shady over there—pretty sleazy.

Mr. Speaker: Order.

Mr. Smith: I will read the rest of it following what the Minister of Housing quoted:

"Whatever posture you may wish to strike, albeit belatedly in support of fruit land, it must be obvious even to you that most of the land in question has not grown fruit for a good many years and much of it is totally incapable of doing so. Both the local and the regional municipality would like to use this land rather than letting it lie in a useless and idle fashion, and it is obvious that Hamilton requires additional industrial area. Where there is fruit being grown, and where there is some reasonable chance that it can continue to be grown in the long term, there is no doubt in my mind that measures to help the fruit farmers and to preserve the fruit land are needed. Where fruit cannot be grown, however, and where the zoning has been industrial, it seems to me that the province should allow the local and regional municipalities to decide the land use."

That is the letter. However, let us not obfuscate the main point, because the minister stood in the House on his point of privilege and stated that once it went to the Ontario Municipal Board

he was not in contact with the Minister of Agriculture and Food. It went to the OMB in March 1979. The minister was not the minister until August 1979, and yet the Minister of Agriculture and Food stood in this House on May 28, 1981, and said:

"In the first instance, staff of the food land development branch reviewed the proposal and indicated some objection. . . based on soil maps" and so on. "Some time later, the Minister of Housing suggested I review the matter to clarify the impact upon agricultural activity. At that time I asked my parliamentary assistant" et cetera.

If the Minister of Agriculture and Food is telling the truth, it had to be after the matter was referred to the Ontario Municipal Board that he heard from the Minister of Housing and was asked for a further review. One of them, either the Minister of Housing or the Minister of Agriculture and Food, is saying something that is incorrect. I ask that the two of them get together and come up with a better story than the one they have come up with so far.

Hon. Mr. Bennett: The honourable member is very interested in making sure his letter gets read into the files, and rather than going through a two-page letter I sent him he would like to see the high road the Minister of Housing happened to take regarding the fruit land.

There happens to be a slight difference between what land is zoned for and what it is used for. If he is trying to justify forgetting about the fruit lands because they are not under production, I suggest there is a great deal of land in this province that could find its way into industrial, commercial and residential use because it is not being cultivated at this time.

If the Leader of the Opposition wants to suggest that when lands are not used they should then drift into some other classification, I can only say there is going to be a real difficult time not only for the Minister of Housing but also for that member's party and others in this Legislature to decide what land use shall be in this province.

I think we have gone through this clearly and at great length. Yesterday I pointed out examples of members of the Liberal Party who had asked me, as the Minister of Housing, to review certain things, and I do not wish to imply that is the wrong thing to do.

The member for Wentworth North sent me a note yesterday saying he did not altogether appreciate my remarks. I welcome suggestions from him and other members of the Liberal

Party and the New Democratic Party on how to resolve problems on behalf of their friends and their constituents. I do not wish to imply that they should not come to me or to any other minister.

Let the the members opposite not be so sanctimonious in saying it is only the Conservative members I listen to. I listen to our backbenchers and try to resolve their problems, but let it not be said that there are not others in this Legislature and in the world of politics and business who do not visit the Minister of Housing and other ministers to get problems resolved.

Mr. Cunningham: Yesterday, Mr. Speaker, it was my impression the minister implied there was some impropriety in my contacting his ministry to expedite a development project in the town of Ancaster on what I believe is 20 acres of agricultural land, not 1,000 acres. This matter has been in the works for almost five years. For the information of members of the House, it is a senior citizens' project that is very badly needed in my constituency.

Hon. Mr. Bennett: For the information of the member for Wentworth North, I did not say that was an impropriety. Two weeks ago or thereabouts, I spoke to the member for Wentworth North, and he asked for Ministry of Housing support against an objection by the Ministry of Agriculture and Food on a development by one of his constituents in the Ancaster area. That is all I said.

Mr. Cassidy: Is this a new order of business, Mr. Speaker—statements by the opposition?

Mr. Speaker: No, it is not.

Mr. McGuigan: Mr. Speaker, I too am concerned about my privileges, and I want to ask the minister what impropriety there was in my inquiring about a piece of property—190 acres, as I recall—40 acres of which was farmable. That 40 acres was divided into seven different parcels. This piece of land, as the Minister of Agriculture and Food knows, is bisected by gullies. In fact, it would be just a bit better than the badlands of South Dakota.

I want to know what impropriety there was in my making a request to the minister.

Interjections.

Mr. Speaker: Order. May we proceed with the business of the House?

Hon. Mr. Grossman: I always pick the wrong day for these things. It is unbelievable.

10:20 a.m.

STATEMENTS BY THE MINISTRY

TOURISM PROMOTION

Hon. Mr. Grossman: Mr. Speaker, I am pleased today to announce a move that will promote Ontario as a major tourism attraction and reflect the pride we all have in this great province.

Beginning September 1, all new vehicle plates issued in this province will carry the successful "Ontario—Yours To Discover!" slogan. Over the next few years, as older plates are replaced and new plates are issued, we will eventually have more than 4.5 million vehicles promoting this province.

This move shows the co-operation of several ministries in helping promote tourism in this province. My colleague the Minister of Transportation and Communications (Mr. Snow) will ensure that all the plates issued will bear the new slogan, while my colleague the Minister of Correctional Services (Mr. Leluk) will ensure the production of the new plates.

In little more than a year since its introduction, the "Ontario—Yours To Discover!" campaign has been adopted by many public and private sector tourism attractions. In fact, the slogan already has an 80 per cent recall factor, one of the highest for a tourism promotion in North America. For example, the Ontario Motor Coach Association, Black's Cameras, the St. Lawrence Parks Commission, Eaton's, various resorts, hotels, including Canadian Holiday Inns, as well as attractions and travel associations throughout the province, have already adopted the "Ontario—Yours To Discover!" theme in their promotional materials.

Last year, tourism was worth \$7.5 billion to the Ontario economy. That represents one eighth of our gross provincial product. This year, we expect tourism revenues to rise by 16 per cent to \$8.7 billion. Our travel inquiry volume clearly shows the increased interest, particularly by Ontario and American residents, in discovering our province. In May alone, inquiries at our Queen's Park travel information centre jumped to a record 38,589; that is an average of more than 1,900 calls or letters each day. Travel counsellors worked overtime consistently to meet the 40 per cent growth in volume over last year at the same time.

This growth in interest is in part a result of last year's \$9.6-million "Ontario—Yours To Discover!" campaign aimed at the Ontario market and this year's vigorous efforts to reach the United States market. A \$2-million increase in

the ministry's tourism marketing budget this year, provided by the Board of Industrial Leadership and Development, has enabled us to step up our American advertising without diminishing our domestic efforts. Newspaper supplements promoting Ontario travel appeared in daily newspapers across Ontario and in 11 key US market areas from Minneapolis, Minnesota, to Syracuse, New York, on May 16 and 17. The majority of the Queen's Park inquiries followed the distribution of these newspaper inserts.

As government ministries and private tourism attractions look for more ways to promote "Ontario—Yours To Discover!", I am sure all my honourable colleagues, as members of this provincial Legislature, will join me this fall in sporting the new vehicle plates with pride, knowing we are helping promote our second largest industry.

Mr. Boudria: Mr. Speaker, on a point of privilege: As the member representing the largest francophone community in this province, I want it to be known that my constituents will expect such a message to be in both official languages if it is on the licence plates of automobiles in this province.

I say further that probably "Ontario—Keep The Promise!" would be a better message on those same plates.

Mr. Speaker: That might be better asked in the question period.

MINING SAFETY REPORT

Hon. Mr. Elgie: Mr. Speaker, I am pleased to advise honourable members that with my federal counterpart, the Honourable Gerald Regan, I am today releasing the report of our joint industrial inquiry commission, which has been reviewing safety arrangements and practices in the Ontario mining industry. Accordingly, I wish at this time to table the two volumes, which together are entitled *Towards Safe Production*.

I am sure honourable members will appreciate the speed with which the chairman, Kevin Burkett, and the members—Keith Rothney of the United Steelworkers of America and Peter Riggan of Noranda Mines—have completed their large and important assignment. It was just 11 months ago that Mr. Regan and I announced their appointment, and they subsequently held hearings in a number of northern Ontario communities as well as Toronto.

It might be well to review the circumstances that led us to commission Mr. Burkett and his colleagues.

In the three years from 1976, following the implementation of many recommendations of the Royal Commission on Health and Safety of Workers in Mines, chaired by Dr. James Ham, Ontario's mining industry substantially improved its safety performance. However, during the first half of 1980, there was some disturbing evidence that this pattern of improvement had been interrupted. As a result, Mr. Regan and I appointed the commission to examine the adequacy of existing arrangements and practices affecting safety in mines and mining plants in this province, including those in uranium mines, which are under federal jurisdiction.

The commission is to be congratulated on the quality of its report and the careful work manifested in its pages. I commend it to the attention of honourable members, who I believe will find it to be concise and readable.

The issues are well defined, and they are explored through balanced and well-focused discussion. The commissioners and their staff relied on hearings and formal research as well as extensive discussion and observation of the practices and attitudes of the persons and agencies involved in mine safety.

It is particularly gratifying to me, as Minister of Labour, that the commission found in the evidence it received, and in its own assessments, general satisfaction with the concepts underlying Ontario's occupational health and safety legislation and with the approaches inherent in its implementation.

In many instances, the report builds on concepts and structures that are already in place. As a result, it effectively develops and clarifies issues related to safety responsibility systems, worker representation and the nature and purpose of joint consultation and safety inspection.

This close integration of the commission's proposals with the elements of the existing mine safety system will facilitate government responses to its findings, and should serve both labour and management in the same way.

However, the fact that the commission was dealing with "existing arrangements and practices" did not limit the originality of its contribution. Those who study the report will find enlightening the analyses of how people, organizations and work practices affect safety performance in mines and mining plants.

In summary, the commission undertook to "determine how the Ontario mining community can improve its safety performance." It has identified principal participants, mechanisms and practices involved in mine safety and exam-

ined the influence they exert on work situations. Through comparison of performance within and outside Ontario industry, analyses of behaviour patterns, assessment of the completeness and relevance of programs, and other means, the commission has identified a number of potential opportunities for improvement. Some, of course, relate to concerns that had already been raised by workers, managers and administrators, and the commission provides some useful formal evaluation of these.

The government will now be examining the report, and I anticipate at the same time active public discussion of both the issues and the recommendations.

MONEY JUDGEMENTS

Hon. Mr. McMurtry: Mr. Speaker, today I am tabling the first three volumes of the Ontario Law Reform Commission's five-part report on the Enforcement of Judgement Debts and Related Matters.

The report is the result of more than 10 years of intensive research and analysis by the commission into one of the most cumbersome and archaic areas of the law. The enforcement of money judgements is sometimes more difficult and onerous than obtaining judgement itself. The deficiencies and vagaries of the law of debtor and creditor have come as a shock to many litigants who believed that winning their case in court was the end of their troubles.

The commission reviews the existing problems with the law and practice and puts forward 60 pages of detailed recommendations designed to bring order and greater efficiency into the enforcement of judgement debts. The commission's overall objectives were to revise and rationalize both law and procedure, to facilitate the collection of judgement debts while protecting the debtor from harassment, and to devise better procedures—such as instalment payment plans—for dealing with the difficult problems of the overcommitted debtor.

One of its central recommendations is the establishment, in each county and judicial district in Ontario, of a new integrated enforcement office supervised by the sheriff and responsible for virtually all enforcement of all money judgements from every court level.

10:30 a.m.

This is a very important, as well as a very complex, report. The government will welcome comments from interested individuals or organizations upon the report. I shall be reviewing

the report with my cabinet colleagues with a view to developing further government policy and legislation in this very important area of the law.

ORAL QUESTIONS

VAUGHAN LAND USE

Mr. Smith: Mr. Speaker, I have a question for the Minister of Agriculture and Food.

The minister will recall having told this House in May that the reason he wrote his letter to the Minister of Housing, which eventually found its way into the Ontario Municipal Board file, was—I am quoting now from the Minister of Agriculture and Food—"Some time later, the Minister of Housing suggested I review the matter to clarify the impact upon agricultural activity."

Since the matter had already been referred to the OMB and since the Minister of Housing has just stated in this House that he made no such request of the Minister of Agriculture and Food, why did the Minister of Agriculture and Food tell this House he had heard from the Minister of Housing? Can the minister substantiate the date upon which he heard from the Minister of Housing and the nature of the request made by that minister?

Hon. Mr. Henderson: Mr. Speaker, the first document I have in this file is my letter to the Minister of Housing. Anything previous to that was strictly of a verbal nature. In reviewing the file—which I do not have here, but I well remember it and I have read it in the last week or two—I want the Leader of the Opposition to go back to the December letter he referred to from my staff to the Minister of Housing and to look at the last two lines on page one. It will tell him exactly the same as he told this House about the land out in his area. It will tell him there was very little visible farming going on in that area at that time.

All I have is my letter and my memory of being contacted by the office of the Minister of Housing. If the minister does not remember phoning me, I still say the call came from his office.

Mr. Smith: The minister is saying that a call did come from the minister's office after the matter had been sent to the OMB.

Hon. Mr. Henderson: No, I did not say that.

Mr. Smith: It had to be after the OMB!

Hon. Mr. Henderson: With all due respect—

Mr. Smith: He just said he had a call from the minister's office. It had to be after it went to the OMB.

Mr. Speaker: Order.

Mr. Smith: Mr. Speaker, let me finish my question.

Mr. Speaker: You are reaching a conclusion. Just ask the question, Mr. Smith.

Mr. Smith: I am sorry, Mr. Speaker, I am not reaching a conclusion. The minister was not the minister until after it was sent to the OMB; so I am simply saying—

Hon. Mr. Henderson: Well, I do not know that it was after—

Mr. Nixon: It happens to be a fact.

Mr. Speaker: Order. Mr. Henderson, wait for the question.

Mr. Smith: The minister is saying he did get a call from the Minister of Housing or from that minister's office. It had to be after the matter was sent to the OMB, since the minister was not the minister until some months after the matter had been sent to the OMB. He recognizes that he is in contradiction to the Minister of Housing on this, and I ask them to get their stories straight.

I ask a more important question now: Why has the minister said that people who testify in front of the OMB are not to contradict the minister in these policy matters, given the fact that when officials testify in front of the OMB they must swear an oath to tell the truth?

Does the minister not recognize that he is putting his officials in a position where they have to choose between saying what the minister prefers and what they believe to be the truth before God, according to the oath they have to swear before the OMB?

Does the minister not realize the gravity of what he is suggesting, where he is saying, in fact, "You are to lie under oath if necessary, but just don't contradict the Minister of Agriculture and Food"?

Hon. Mr. Henderson: Would the honourable member please show me where I said that in this House?

Mr. Smith: In response, Mr. Speaker, I simply point out that today's Globe and Mail article says—

Hon. Mr. Davis: He can deny it if he wishes.

Mr. Nixon: Let him deny it then, and say he was misquoted.

Mr. Smith: He is entitled to deny it if he did

not say it. Today's Globe and Mail says, "Ontario Agriculture minister Lorne Henderson has told staff in the food land development branch of his ministry not to contradict him publicly again." What happened in the case of Keith Pinder, which was discussed here, is that Mr. Pinder was put under oath and had to say what he believed to be the truth—and the minister knows that. He was forced to choose between what he believed to be the truth and the view that the minister would have preferred that he express at the OMB.

This is a serious matter. I would like the minister to recognize the seriousness of this and to deny the statement, if he wishes, and otherwise to rescind that order which he has given to members of his ministry.

Hon. Mr. Henderson: Mr. Speaker, that interview with the Globe and Mail is very clear in my mind. It happened yesterday afternoon. I told the Globe and Mail, and I presume the reporter is here, that it is up to the director of that branch to run his branch in any way he sees fit, but the policies of the government are to be put forth at any hearing.

Mr. Riddell: Supplementary, Mr. Speaker: In answering my leader's question, the minister made reference to the fact that this land was not actively farmed. How then does he explain a letter, which I am sure he has in his file, from the director, official plans branch of the Ministry of Housing, who toured the area and stated, "Although it was gently undulating, most of the area was treeless and actively farmed, certainly not conforming to our estate guidelines"? Furthermore, how does the minister explain the letter signed by 30 farmers, which I also assume he has in his file, stating that the land is "of soil highly suited for agriculture"? How does the minister explain that?

Hon. Mr. Henderson: Mr. Speaker, if the member wants to look at the land, the report is quite clear. Sixty per cent of the land is lower than class four, five, six and seven. If he wants to go back to the food land guidelines, he will find that we recommend the preservation of land in classes one to four, where it is possible.

In this case 11 per cent of this particular land is class one land. That one per cent is what my parliamentary assistant explained as a hog's back, something that modern-day equipment will not operate on. This land was quite operative back in the days when we had smaller machinery, smaller tractors. Forty per cent of it could be of that type of soil that we could work

today, but the contour of the land does not permit the operation of it as productive agricultural land today.

If the member visited the land today or last year, as my parliamentary assistant did, he would find that land was not being farmed to any great extent, exactly the same as was stated in the letter of December from my staff to the Minister of Housing. The last two lines on page one—I do not have it here, but I am sure the leader does.

Mr. Smith: On a point of order, Mr. Speaker: Apart from the OMB hearing, the minister has just stood and given figures in this House. I quote from the OMB hearing. Keith Pinder said, “Of the remaining 975 acres”—by his calculation —“42 per cent is class one, 11 per cent is class two, 11 per cent is class three, 27 per cent is class four”—

Mr. Speaker: That is not a point of order. Nothing is out of order.

10:40 a.m.

Mr. Nixon: But the minister just said 11 per cent is class one land. Mr. Speaker, the facts before the Ontario Municipal Board are as my leader has read them. Surely we have the responsibility to correct such misleading information?

Mr. Speaker: Order. Supplementary, Mr. Swart.

Mr. Mancini: Mr. Speaker, on a point of order: Yesterday, I tried to get up on a supplementary question to the Minister of Labour (Mr. Elgie) after the leader of the New Democratic Party (Mr. Cassidy) had his two questions and an NDP member had a question. You informed me I had missed my turn, Mr. Speaker.

This morning, the Leader of the Opposition had his questions and a supplementary followed by my colleague the member for Huron-Middlesex. Now you are allowing the member for WellandThorold a supplementary question in a manner you did not allow me.

Mr. Speaker: With great respect, it was not the same.

Mr. Swart: Supplementary, Mr. Speaker: I wonder if the present Minister of Agriculture and Food will recall that the previous minister, Mr. Newman, in answer to a question from me, gave the assurance that the members of the food land development branch could appear at Ontario Municipal Board hearings without any interference from the ministry or the minister and give their expert advice and opinions with regard to the land under consideration.

Are we now to understand that government policy has been changed and this will no longer be the case? Will there be no such freedom for them, or will the minister give a flat commitment to this House now that the policy of the former minister will be continued and they can testify without harassment or direction from his ministry?

Hon. Mr. Henderson: Mr. Speaker, I just confirmed that the director of the food lands branch must run his department.

Mr. Smith: Mr. Speaker, he is trying to muzzle the people in his department. I have a question for the Minister of Housing.

Interjection.

Mr. Smith: Yes, that is exactly what is happening and it is a serious matter if he thinks about it. They swear an oath to tell the truth at the OMB.

Mr. Speaker: Order.

Mr. Smith: I have a question for the Minister of Housing. For the second time now, the Minister of Agriculture and Food has told this House that after the matter had been sent to the OMB—

Hon. Mr. Henderson: No, Mr. Speaker. I said I was not aware when it was sent to the OMB.

Mr. Smith: Who cares what he was aware of? For the second time, the minister has said that since he became the minister, which is after the matter was sent to the OMB, he heard from him with a request to further review the agricultural matter on amendment 95 which was in front of the OMB. He has said that—

Why is the Premier shaking his head? He should stand on his feet and tell me why he did not say that.

Mr. Speaker: Order. Proceed with your question, please.

Mr. Smith: If the Premier would read Hansard he would know. Mr. Speaker, surely I am entitled to respond to some of the Premier's interjections? He spends most of his time responding to interjections in this House.

Mr. Speaker: It is your question period.

Mr. Smith: It is indeed. Thank you, Mr. Speaker.

The Premier might like to look at Hansard, page 1053, in which he says plainly, “Mr. Bennett suggested I review the matter.”

Hon. Mr. Davis: Mr. Speaker, on a point of order: The Leader of the Opposition asked me to reply. I did not interject. I shook my head

because I clearly heard the Minister of Agriculture and Food say, "the minister's office" not more than 10 minutes ago. The Leader of the Opposition should treat it accurately, fairly and objectively.

I want to make it abundantly clear that Hansard does not show when I shake my head on occasion. I have to say to the Leader of the Opposition there are many of his remarks where—

Interjections.

Mr. Speaker: Order. Mr. Smith, proceed with your question. Ignore the interjections and ask the minister your question.

Mr. Smith: I will ask the question again, Mr. Speaker. Since on May 28 the Minister of Agriculture and Food says he heard from the Minister of Housing with a request to review this matter, and since we know that that must have been after the matter had been sent to the Ontario Municipal Board, and since again today he has reconfirmed that he heard from the minister or the minister's office—this being the latest change in the matter—again at the time he was minister and therefore after the matter was sent to the OMB, will the Minister of Housing explain why he would have contacted the Minister of Agriculture and Food or had somebody in his office do so after the matter had already been sent to the OMB?

Hon. Mr. Bennett: Mr. Speaker, I make this very clear: the Leader of the Opposition is talking about phone calls—and I trust he will realize that ministers do phone one another about various problems in relation to their ministries. I have no idea of the dates on which there might have been phone calls between myself and the Minister of Agriculture and Food or others in that ministry, or phone calls from my office that may have gone to the minister's office in that ministry. I have no idea of what time the phone calls took place.

I can only go back to what the files show in written form. Clearly, we asked in November for an expression of opinion and a confirmation of the views expressed by the Minister of Agriculture and Food on this specific piece of land we are talking about today, which is official plan amendment 95 in the community of Vaughan. On December 11 we got a response from the Ministry of Agriculture and Food.

I can neither confirm nor deny—I already said that once this morning—any phone calls that might have taken place between myself and the Minister of Agriculture and Food or between

people in my ministry and his ministry in relation to this. I cannot even think of a reason why we would want to contact the Ministry of Agriculture and Food once the issue had gone to the OMB, because we are of the opinion—

Interjection.

Hon. Mr. Bennett: Would the member for Welland-Thorold wait just a moment? I am answering the question.

My ministry people, if they are required at the Ontario Municipal Board, will be subpoenaed by the lawyers of those who support or those who oppose the application, as will staff from the Ministry of Agriculture and Food, as will any of those from the Ministry of Transportation and Communications and other ministries that might have a part to play in an official plan amendment that would come about.

We look at the affairs of the municipal board as being dealt with fairly from all sides, and expect that the decision rendered would be what the hearing officers, from their point of view, consider the best judgement on the long-term land use factors in any given community. If people disagree with it, as is the case here, they have the right to appeal through the Lieutenant Governor to the cabinet for a decision.

Mr. Smith: Since the minister says he certainly does not recall—although he refuses to deny—calling the minister, and since he cannot even think of any reason why he should have wanted to call the Minister of Agriculture and Food once the matter was in the hands of the OMB, was the Minister of Housing not surprised to suddenly receive a letter from the Minister of Agriculture and Food in the midst of all this in March 1980 and a second letter in December 1980 saying, "We withdraw our objection"?

If it had not been requested and no review had been requested, and if the Minister of Agriculture and Food for just no reason at all decided suddenly to send the member for Elgin (Mr. McNeil) out to look at the land and then write a letter to the Minister of Housing, was the Minister of Housing not rather surprised to received a letter? What was his reaction when he received this letter saying that the objection had been withdrawn if, in fact, he had had no previous contact at all?

Hon. Mr. Bennett: One might think that every letter that happens to come into the Ministry of Housing, of which there are thousands daily, would cross—

Mr. Smith: Addressed to you from the Minister of Agriculture and Food.

Hon. Mr. Bennett: I would suggest that—no, I will not; I will keep that for another day.

If there were letters coming across relating to a file—I trust the Leader of the Opposition will realize there are hundreds of cases before the—

Mr. Smith: From the Minister for Agriculture and Food?

Hon. Mr. Bennett: Would the member let me finish? I wish Hansard would show that he points more often than anything else in this House.

Interjections.

Mr. Speaker: Order. Proceed, Mr. Bennett.

Hon. Mr. Bennett: Nobody is stick-handling me, because the issue has now been resolved by the OMB and referred to the cabinet as a result of petitions. Regardless of what letters happen to be or do not happen to be on file or what opinions were expressed by people, the fact is cabinet will now deal with the issue.

10:50 a.m.

I can only suggest to the Leader of the Opposition that, if the letters came over from the Ministry of Agriculture and Food it was because, in its opinion—and Mr. Keith Pinder is the same individual who gave the member for Kent-Elgin (Mr. McGuigan) the advice on the lands in his area—

Mr. Smith: Just answer the question.

Hon. Mr. Bennett: Oh, no; not “just answer.” The member wants to take everything out of context, have it to his taste and not show that Mr. Pinder expressed some opinions on the area the member for Kent-Elgin was interested in, where he said 50 acres were good agricultural land. Sure; this is virtually the same situation we are dealing with in Vaughan.

As the member for Brant-Oxford-Norfolk will know, there sometimes happens to be land in the farm community that does not have agricultural productivity under modern day conditions. If the letters came from the Minister of Agriculture and Food, I thank him for them for completing the file. The advice of his ministry is always sought.

Mr. Swart: Supplementary, Mr. Speaker: Would the minister not agree this kind of action or pressure by the Minister of Agriculture and Food in withdrawing his objection and putting pressure on the Minister of Housing to have this farm land approved for development, and the action of the Leader of the Opposition in the Stoney Creek area, where the Minister of Housing stated at the time of rejecting the 1,000 acres of development that much of it was good farm

land and should be retained, is perpetuating a policy within this province of using up our best farm land and building on it almost willy-nilly?

Hon. Mr. Bennett: Mr. Speaker, the simple answer is no.

Mr. Riddell: Supplementary, Mr. Speaker: It is not only the Minister of Housing's reaction to the Minister of Agriculture and Food's letter when he said he was withdrawing his objection, but what in the world took place in the discussion he had with the minister that caused him to withdraw his original objection to the rezoning of that land?

After receiving a letter from 30 farmers who farm in that area stating the land was highly suited to agriculture and was actively farmed, and after his own ministry officials said it was good farm land and was actively farmed, why in the world would the minister send his parliamentary assistant out to come back with a completely reverse report on that land? What is going on over there? Who is running the Ministry of Agriculture and Food?

Hon. Mr. Bennett: Mr. Speaker, I am glad the member for Huron-Middlesex wants to ask what the staff is doing because ministers in most cases take the advice and guidance of senior staff and it is not always accepted by the members of the opposition party when we to bring it in here.

Hon. Mr. Davis: They are always supportive of the staff when it suits them. They were planning to fire them all if they had won on March 19.

Hon. Mr. Bennett: Do not get them upset. I am going to have to—

Mr. Speaker: Please proceed, Mr. Bennett.

Interjections.

Mr. Speaker: Order, order. Let the minister answer the question.

Mr. Kerrio: Give him some time to dream one up.

Mr. Speaker: Order. Proceed, Mr. Bennett.

Hon. Mr. Bennett: We realize the member for Niagara Falls dreams most of the time. On this side, we try to deal with the reality of life.

Interjections.

Mr. Speaker: Order, order. I would just point out to all members that we have gone through half an hour of the question period. We have had two questions asked. Mr. Bennett, do you want to answer the question?

Hon. Mr. Bennett: Mr. Speaker, in relation to the substance of the question the member for

Huron-Middlesex asked in relation to the minister and his people at the Ministry of Agriculture and Food changing their minds and views, I think I indicated clearly yesterday that quite often as a result of requests by members, by local politicians and so on, we send people back into the field to do—

Ms. Copps: What about the 30 farmers?

Mr. Smith: When it is before the OMB?

Mr. Speaker: Order.

Hon. Mr. Bennett: Mr. Speaker, we were not referring to anything being before the Ontario Municipal Board, we were referring in a very general—

Interjections.

Hon Mr. Bennett: I am just about at the point of asking the member to repeat his question. There has been so much confusion going on around here this morning.

As in the case of a number of areas where we have official plan amendments being made or other acts in the field of planning where local members, provincial or federal—and I have had a few federal members come to me; I had a letter of thanks yesterday from a former federal member for some action we took to try and resolve his problem—we will send a request to the Minister of Agriculture and Food, or the Minister of Transportation and Communications or the Minister of the Environment or the Minister of Health or other ministries, asking them to go back and do an assessment of a problem so we can make sure that all sides are being treated fairly.

Mr. Smith: When it is in front of the OMB?

Hon. Mr. Bennett: I say very clearly, I am not talking about bringing something in front of the Ontario Municipal Board.

Mr. Smith: That is what you are being asked.

Hon. Mr. Bennett: No, I am not being asked. He is referring to it in a general way, and I said very clearly to the Leader of the Opposition, in case he does not understand my English, that I do not recall a call from the Minister of Agriculture and Food. I am not denying it nor accepting it. I said I do not recall it. If that is not clear enough for him, I will try to have the member for Brant-Oxford-Norfolk explain it to him.

In this case, as in the case of the member for Kent-Elgin and various others, the same Mr. Pinder from the Ministry of Agriculture and Food went out and reviewed the situation and explained it to people. In the case of the member for Kent-Elgin, there were some changes

made to accommodate what he and his constituents wanted. I make no apologies for that, because obviously on the reassessment, on a very physical basis on site, they were able to come to some other views of what the land's capabilities could be.

Mr. Breithaupt: Any hill is tough to climb for Ronnie.

Hon. Mr. Bennett: The member says any hill. As long as you are a groundhog, I suppose you can go and do some agriculture on a very steep slope. I tell members that with the modern day equipment that is not always possible.

Mr. McGuigan: On a point of privilege, Mr. Speaker: The member for Huron-Middlesex mentioned the 30 farmers who wrote in and disputed the use of that land. I would like to ask the minister how many farmers wrote in and disputed my case?

Mr. Speaker: Order. That is not a point of privilege.

INTEREST RATES

Mr. Cassidy: Mr. Speaker, I have a question for the Premier about the increase in interest rates to a prime of 20 per cent, which occurred overnight as a consequence of the Bank of Canada rate setting yesterday.

Now that the bank profits for the second quarter are in, which show that bank profits are up by 32 per cent over last year—the Royal Bank by 39 per cent; the Commerce by 32 per cent; the Bank of Montreal by 47 per cent; the Toronto Dominion Bank over 49 per cent and the National Bank by 96 per cent—is the government now sufficiently concerned about interest rates that it will bring in an excess profits tax that will either force the banks to roll back this profiteering on interest rate increases or else will generate enough revenue that we can start to protect home owners and small businessmen and farmers from the effects of high interest rates?

Hon. Mr. Davis: Mr. Speaker, I must say I anticipated that this would be a matter of some discussion by about 10:15. I don't happen to agree with the suggested solutions of the leader of the New Democratic Party, but I do sense that this is a valid question to raise.

I think I should point out to the leader of the New Democratic Party, as I did the other day, that his rather simplistic approach is that there be an excess profits tax on the banks, but I will not be put in the position of defending the banks. He may try to put me in that position but he will not succeed.

What I said to the leader of the New Democratic Party the other day was that one can deal with the banks perhaps but when we get into mortgage interest and so many other areas, we are dealing with a lot of other institutions and a lot of individuals. We are dealing with individuals who may have, as their sole means of income, private mortgages that they depend upon to meet increased rates of inflation in their own personal expenses. We cannot just isolate the banks and say they are the only ones.

11 a.m.

I have not analysed the statements of the banks, but I recall reading somewhere that a part of the increased profits, for some of the banks at least, were on earnings from offshore. When I say offshore, I mean outside Ontario or outside Canada. I am not saying that is totally relevant, but I do not think it is something we can ignore. It is also fair to state that there have been occasions where the prime rate is up as it is today. I am one who hopes it will be down next week or the week after or sometime in the foreseeable future. I guess the leader of the New Democratic Party would introduce a tax that had some sort of sliding scale attached to it that might compensate for any losses that may occur when the rates go down.

I just say to the leader of the New Democratic Party that this government is concerned. We have made statements. I made one as recently as yesterday to a group of farmers out at the Constellation Hotel. I am not going to go through the ritual this morning of saying where the responsibility lies. It is obvious to everybody. There is no question the Bank of Canada in its wisdom or lack of wisdom—I am not making that judgement today—increased the prime rate yesterday to protect the Canadian dollar, because the prime rate in the United States had diminished somewhat.

I would only say we have to have this concern. We fully understand the hardships that are being created, but we do not have the control or the ability to reduce interest rates in this province. They are set by the Bank of Canada and, up until this point, supported by the government of Canada.

Mr. Cassidy: Does the Premier not agree that Ontario has the power to levy an excess profits tax on the banks? Since the banks have such an influence in determining interest rates for businessmen, for people who are buying for home improvements, in the mortgage fields and for farmers—since banks have such an influence as

pacesetters in setting interest rates, if Ontario were to exercise its powers this could have an influence right through the economy of this province in terms of bringing interest rates down or providing funds that could be used to cushion people who have to pay the interest rates.

Particularly, does the Premier not agree it is time for action by the province where it has the power to act, given the fact that six years ago the margin between what the banks paid for savings and their prime rate was 2.44 per cent, whereas today that margin has risen to four or 4.5 per cent between what the banks pay for savings and what they are charging as their prime rate? When the margins have risen so much, when their profits have risen so much as a consequence of those margins rising, is it not Ontario's place to say to the banks, "Either get your margins back to where they were six years ago or else we will bring in an excess profits tax that will ensure we get the revenues that will allow people to cushion against this kind of profiteering"?

Hon. Mr. Davis: Once again I preface my answer by making it abundantly clear that this government is not defending the banks. But I also point out to the leader of the New Democratic Party that he tends to oversimplify the issue. If one were to—

Mr. Cooke: What is your solution?

Hon. Mr. Davis: Does the member want a nonprovocative, serious answer or does he want to sit in the back row and be funny?

Mr. Cooke: Let us hear your solution.

Hon. Mr. Davis: All right, just give me an opportunity. The member knows it is Friday, he can get to Windsor late this afternoon, he can relax.

Mr. Speaker: Order. Just ignore the interjections, Mr. Davis, and proceed.

Hon. Mr. Davis: Quite right, Mr. Speaker. I think the leader of the New Democratic Party is oversimplifying the issue. Perhaps he has misstated the position of the banks when he says they set the interest rates. There is no question that individual banks determine a rate, but their rate is determined by the Bank of Canada. I am not going to try to give him a course, because he is an expert in economics, as he told me one day; I say that very kindly. But I think he is perhaps inaccurate in saying the banks lead in setting the interest rates. That is not true; they are set by the Bank of Canada.

I cannot argue whether the differential between

the prime and what banks may charge was 1.5 or two per cent two years ago or 10 years ago, whether it is two or 2.5 per cent today, or whether that is valid in terms of their expenses, et cetera. I am not in a position to make that sort of judgement.

I think it is a valid area of concern but this government cannot determine interest rates. My guess about the suggestion for an excess profits tax on banks is that it would be getting into the whole area of foreign exchange controls, although I may be wrong on that. I think, with respect, it is a simplistic suggestion for a solution to a very complex problem.

Mr. Ruprecht: I am sure the Premier would agree he is supporting a fundamentally unjust system. On the one hand the banks are reaping such a profit they do not know where to put their money; on the other hand the eviction rates are going up.

Mr. Speaker: Order, order.

Mr. Ruprecht: When will the Premier act to help those families whose mortgage rates are coming up for renewal by indicating he would support a fairer system than he is supporting now?

Hon. Mr. Davis: On this Friday morning I will not remind the honourable member that the Liberal government of Canada and the federal minister from this great metropolitan area who is in charge of housing at the national level—somebody I am sure the member has met in his municipal experience and whom I am sure he knows much better than I do—have the abilities within their jurisdiction to deal with this problem. I am sure the member will convey his concerns to Mr. Cosgrove and others over the weekend. I am sure it will be the first phone call the member makes tomorrow morning.

Mr. Wildman: Supplementary, Mr. Speaker: In view of the Premier's statements that it really is a matter of federal concern, is he now prepared to state clearly his position and to recommend to the Prime Minister of Canada and the federal government that the setting of the prime rate no longer be tied to the selling of Treasury bills? Will he state that we should consider foreign exchange controls if that is necessary to bring down the interest rates?

Hon. Mr. Davis: Mr. Speaker, I will once again bow to the great knowledge and unlimited experience of the new financial critic in the New Democratic Party. If he is advocating, as a matter of policy—

Mr. Wildman: No, I am asking you.

Hon. Mr. Davis: This is implicit in the honourable member's question—that this country or this province support foreign exchange controls. I am delighted to hear this new initiative. I am very intrigued to see whether the member agrees with that on Monday morning after careful consideration. I really think the member should assess that very carefully.

Mr. Wildman: What is your position?

Hon. Mr. Davis: No, we are not in favour of it.

SEVERANCE PAY

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Labour with respect to the pledges the government made to keep the promise. Could the minister explain why it is that workers who have been laid off in so many companies this year and last year would not benefit under the severance pay legislation the minister brought in yesterday, because they are victims of layoffs due to the reduction of operations rather than a permanent closure or a permanent partial closure?

I refer specifically to layoffs at Dupont, Canadian General Electric, Budd Canada, International Harvester in Chatham, Motor Wheel, Canadian Fabricated Products, Bell Specialties—the list of companies is almost endless. In all of those companies, where more than 50 employees were being laid off, they would not benefit at all under the Employment Standards Act because they do not happen to have been hit by a permanent shutdown of all of the plant or of a portion of the plant.

The legislation the minister brought in yesterday would apply to only 10 per cent of the workers who had been victims of permanent or indefinite layoffs since the beginning of this year. How could the minister claim the severance pay law he has now proposed in the House is adequate to meet the needs of Ontario's workers?

Hon. Mr. Elgie: Mr. Speaker, as I and many other members sat here last night and listened to the debate, what we heard was very clear. We heard it from the member for Oshawa (Mr. Breaugh); we heard the great concern everybody has about plant closures. I ask the leader of the third party to read the Hansard of the debate last night. The bill this government introduced addresses the issue of severance pay in plant closures. If the leader of the third party reads last night's debate, he will see it was to that issue that members directed their attention.

11:10 a.m.

Clearly, this government sees there is a distinction. On the one hand, where there is a plant closure, be it partial or total, we see workers with varying levels of seniority, people with long-term commitments to that business, being laid off. We have great understanding and sympathy for that position and we have indicated that in the legislation we brought into this House yesterday.

On the other hand, where one has situations of businesses reducing the size of their operation for economic reasons and for economic survival, not only for the business but for the long-term employment of those employees who remain, we feel there is a distinction. Although in that situation those with the least seniority are probably the best able to search for other employment through the various programs that are available—although it is hard on them; nobody denies that—that bill introduced yesterday aims at protecting those people who are laid off, regardless of their seniority, and particularly the long-term workers who need that kind of assistance to be rehabilitated in society.

Mr. Cassidy: Could the minister explain how it is that while on the one hand the committee recommended the principle of severance pay, a week for every year of service, to apply to all workers who were affected by layoffs on a permanent or an indefinite basis, and made no distinction, as the minister is now making, the minister and the government overlooked the recommendation as it was put by the committee?

How is it, if one looks at last year's figures, that the ministry overlooked 21,000 workers who suffered permanent or indefinite layoffs due to reductions of operations, focused on only 9,000 workers who were laid off through permanent closures or partial shutdowns, and in the end provided legislation that will benefit only half of that group?

How is it that in last year's figures the minister could come up with only a measure that will benefit perhaps one worker in every six who was a victim of a layoff last year, and why was the government not prepared to bring in legislation that will protect all workers who lose their jobs on an indefinite or a permanent basis, without these kinds of narrow distinctions that mean nothing to a worker who may have 10 or 20 years of service and find himself out on the street, only to be told by the government, "Sorry, you don't happen to qualify"?

Hon. Mr. Elgie: I am not sure I understand

exactly what the honourable member is saying and I am sure he does not either. That is one of the first problems.

The figures last year show that approximately 10,000 workers were laid off as a result of complete or partial plant closures. This legislation applies to them, so the member should not talk about all the other stuff.

Mr. Cassidy: There are 20,000 more. It does not even apply to half of them—

Mr. Speaker: Order.

Hon. Mr. Elgie: Mr. Speaker, don't let the member go saying it does not apply to half of them or any of those things. It applies to the 10,000 workers who were laid off as a result of complete or partial closures.

Mr. Cassidy: Then why do you list the other ones every month?

Mr. Speaker: Order.

Hon. Mr. Elgie: The member just cannot sit still and listen, can he? It is a basic problem he has. Perhaps if he gets to understand it, the world will go better for him.

Of the other 20,000 workers who were placed on indefinite layoff, approximately 13,000 to 14,000 of those, as the member knows, are in the auto industry, which is in a very critical state. Those workers are on recall, and I appreciate the problems they are having, but what we are saying in this legislation is that the greatest concern at the moment is for those people, regardless of seniority and particularly those with long-term commitment to that company, who need protection; that is what this legislation does.

Mr. Wrye: Supplementary, Mr. Speaker: The minister will be aware that there has already been criticism of the proposed legislation in that it protects workers only where 50 or more are laid off at the same time. There has been a point made that companies could simply get around the legislation by laying off 49 workers at a time and they would not have to pay severance pay. Will the minister make a commitment to this House today that he will look at this criticism and will act to tighten up the legislation so this loophole is closed?

Hon. Mr. Elgie: First of all, Mr. Speaker, I just remind the honourable member that the number of 50 workers was chosen by the select committee because of a great concern for small business. I think we still feel that way.

What the member is really saying is that under one of the sections of the Employment

Standards Act it is possible to lay off 10 per cent of the work force over a period of four weeks and not come under the legislation. If the member reads yesterday's bill, he will see that we have said, "Workers laid off over a period of six months."

If we see people are trying to get around the legislation with some devious plan we will look into it, but we have taken that into account in the legislation as it is drafted, and I think the member will understand that as he reads it.

Ms. Copps: On a point of order, Mr. Speaker: With respect to the legislation and reading the legislation, I myself asked for a copy of it this morning and it is not available yet.

Mr. Speaker: That is not a point of order.

Mr. Cassidy: Final supplementary: The minister will be aware of the contract that the government of Ontario has signed with its own employees, which provides a week of severance pay for every year of service in a case where a worker is terminated, and makes no distinctions as to whether it is a permanent shutdown, a permanent partial shutdown, a reduction of operations or other reasons such as that. Can the minister explain why that standard of a week for every year of service in all cases is good enough for workers with the provincial government, but somehow this government feels workers in the private sector should be treated less fairly?

Hon. Mr. Elgie: Mr. Speaker, I simply remind the member of the facts. He does not often want to look at them, but the fact is that that is a negotiated severance pay. This government is not saying employees should not continue to have negotiated severance pay arrangements even in situations where there are reductions in the work force for reasons other than closure. I happen to support those kinds of negotiations, but this legislation deals with plant closures, be they total or partial. We think that addresses the major issue discussed last night and the major issue society faces today.

HOG SUPPLY MANAGEMENT

Mr. McGuigan: Mr. Speaker, my question is to the Minister of Agriculture and Food. Is he aware that many hog producers are continuing to produce hogs, losing money on each hog, losing—

Interjections.

Mr. Speaker: Order. Proceed, Mr. McGuigan.

Mr. McGuigan: I will repeat the question,

Mr. Speaker. Is the minister aware that hog producers are continuing to produce hogs even though they are losing money on those hogs and losing equity with every hog they ship off the farm? In other words, they are shipping a few square yards of the farm with each hog. They are doing so because they feel a supply management system might be brought in and they wish to continue their production in order to ensure they have their proper quota.

Is he aware also that the Pork Producers' Marketing Board has a study in hand, and that one of the options that may be recommended would be a supply management system? Since the minister has now himself come out in favour of a supply management system, would he make a statement that would set the base period for the selection of the quota?

It would take a good deal of study to determine what that base period should be, but the point is that it would allow those people to stop producing hogs, stop losing their equity and at the same time retain whatever rights might be forthcoming in the future. It would also stop those well-heeled producers who, seeing a quota system down the road, increase their production in order to acquire those rights. The minister is well aware that this was the case in the feather trade when those court assessments were brought in. Would he make a statement to alleviate the situation for these producers?

Hon. Mr. Henderson: Mr. Speaker, the honourable member has asked several questions. First, am I aware that the hog producer is losing \$15 to \$30 on each hog he ships? I am well aware of it. I happen to have a hog farm, so I think that answers the member on that. I do not have one myself, but I am involved deeply with my son in one.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Henderson: In response to the member's question respecting a quota or supply management: At the annual meeting of the hog producers this year, a number of members in the area of 91, 92 or 93 voted in favour of supply management; about 110 voted against it. It might be of interest to him to know that the beef producers of Ontario voted exactly the same way.

11:20 a.m.

I am aware there are farmers who are really in a tight financial position. They feel they must continue to produce in order to maintain a quota if and when it comes. I would have to take

it a step further and say—and I think the honourable member would agree with me—that if a quota was established, it would have to be not only in Ontario but across Canada before it would be effective.

The hog farmers of Ontario are about supplying the market of Ontario. The hog farmers of Quebec are supplying 30 per cent more than the market needs. One of the problems the hog farmers in Quebec are facing is that 80 per cent of the pork produced there is produced by people who have integration with large companies. It is really not the farm community except for about 20 per cent of their pork production.

I have made it quite clear, and I do not mind clarifying it here again, that I personally recognize the need for a supply quota. I have used the simple example of, “Why produce 100 hogs for \$7,500 when they should be producing 75 hogs for \$10,000?” It should be reversed to produce 75 hogs at \$130 each. I have said that on several occasions.

The hog farmers in Ontario are very much concerned about the announcement by Ottawa a week ago respecting stabilization. I think it is important that this be reported this morning. They met yesterday at four o'clock with Mr. Whelan—perhaps the Liberals do not want to know, but I know the member for Kent-Elgin wants to know. They pointed out to him the exact stabilization plan Ontario and Quebec have. It is the same for both.

Mr. Riddell: What did Mr. Whelan say?

Mr. Speaker: That is not part of the original question.

Hon. Mr. Henderson: Mr. Whelan told them that his staff gave him a different story.

Mr. Speaker: Reply to Mr. McGuigan, please.

Hon. Mr. Henderson: Yesterday afternoon Mr. Whelan informed the hog producers that he was going to speak to his staff today. He was going to his home riding and he was going to speak to his staff in Ottawa to see whether they can get that part cleared up.

Mr. Riddell: Supplementary, Mr. Speaker: I think the minister has missed the point of my colleague's question. If supply management does come and a provincial allocation is made, is the minister prepared to see that allocation is based on the last three years' production, to give the farmers an opportunity now to cut back on hog production on which they are losing money?

What is happening is that hog producers are continuing to produce hogs in order to get in on that quota—if the quota system ever comes—

because the quota will be based on their present production. If the minister put it back three years, there would be no need for these hog producers to try to produce in order to meet a certain quota if it ever comes to this province.

Hon. Mr. Henderson: I recognize what the member for Kent-Elgin asked me and I recognize what this honourable member reinforced. They both know that will be decided by my farm products branch after dialogue with the hog producers themselves. I do not need to tell them that, they both know it.

MINING SAFETY REPORT

Mr. Wildman: I have a question to the Attorney General. It relates to the statement made today by his colleague the Minister of Labour (Mr. Elgie) in tabling the Burkett report. Taking into account the views expressed by the commission and those expressed by the select committee on Ontario Hydro affairs in December over the lack of clarity on jurisdiction for health and safety in uranium mines, if the federal government does not act on the commission's recommendation to refer the question of concurrent jurisdiction to the Supreme Court within six weeks, will the Attorney General then act on the select committee's recommendation that the provincial government refer the issue of jurisdiction in uranium mines to the appropriate court?

Hon. Mr. McMurtry: Mr. Speaker, I would like to have the opportunity of reading the commission's report in order to better appreciate the dimensions of the problem. When I have had an opportunity of doing that I will be happy to respond to the honourable member's question.

LEEDS-GRENVILLE TEACHER-BOARD DISPUTE

Mr. Runciman: Mr. Speaker, I direct my question to the Deputy Premier in the absence of the Minister of Education (Miss Stephenson). It relates to the teachers' strike in Leeds-Grenville, which is now entering its fifth week with no resolution in sight. Based on the news release yesterday from the mediator, Professor Richard Jackson, there is not much hope in the foreseeable future.

Is the Minister of Education aware the Ontario Secondary School Teachers' Federation is targeting Leeds-Grenville as a test case in its efforts to get class size into collective agreements? Is she aware the federation is encouraging teach-

ers in the Leeds-Grenville system to continue to strike by offering to pay teachers strike pay throughout the duration of the summer school break, thereby allowing them to recoup any financial losses they will suffer during this school year?

Based on this information, is the ministry prepared to consider a legislated end to this strike and thereby frustrate the unsavory efforts of the federation and allow the students of Leeds-Grenville to receive the education they are entitled to?

Hon. Mr. Welch: Mr. Speaker, the Minister of Education will be back in her place on Monday. In the meantime, I suggest we would want to see what success the mediator has with respect to the proposal for settlement he has put forward, and to provide some opportunity for the sides to review the proposal to which the honourable member has already made reference. But I will draw the Education minister's attention to the concerns expressed by the member.

Mr. Runciman: I believe that in the mediator's press release he indicates quite clearly he has gone through the various proposals with the two parties and there is no resolution in sight. He simply made his position public so that the public will be aware of what the issues and positions are. It seems to me that apparently there is no movement coming out of this. I would appreciate the Deputy Premier's further and more detailed reply to my question.

Hon. Mr. Welch: I have had an opportunity to look over the press release of the mediator. He says among other things that he has made a formal mediator's proposal dealing with all outstanding issues. At the end of the release he said it is his hope "that both sides will set aside their differences, take into account their responsibilities to innocent third parties and accept my proposal . . . not only fair but administratively feasible." Since that has just gone out, we should at least allow both sides an opportunity to respond to that formal proposal.

I can assure the honourable member I will underline his concerns and bring his particular interest to the attention of the minister when she returns after the weekend.

PARK PLANNING

Mr. Eakins: Mr. Speaker, my question is to the Minister of Natural Resources. I am sure the minister is aware of a statement made by the outgoing chairman of the Provincial Parks Coun-

cil that the ministry's provision for public participation in park planning is a scam. Would he comment on that?

Why will the public not be allowed to review all options for park development, in view of the fact that the minister's predecessor promised in a letter back in March that all regional systems plans for provincial parks would be made available for review by the public when they were received from the regions, and would not have to be reviewed first by a ministry-appointed parks committee?

Hon. Mr. Pope: Mr. Speaker, there has been some confusion in the mind of the outgoing chairman of the parks council as to the different planning programs that have been initiated internally within the Ministry of Natural Resources.

We did have a parks planning program initiated some time ago with general policy statements within the ministry, which were made available to the public and to the parks council. We have had, at the same time, the strategic land use planning program going on in northwestern and northeastern Ontario.

11:30 a.m.

The northwestern Ontario planning program started in 1974. I could read into the record the whole list of public meetings that were held throughout northern Ontario and the role the Provincial Parks Council played in those meetings. I could read into the record the complete mailing list and what was done in northwestern Ontario, including the names of the individual members of the parks council and how they were kept informed at every step during the process.

I could read into the record the number of meetings that were held, where they were held and how many people attended for the northeastern Ontario planning program, and the involvement of the parks council in that.

The fact of the matter is that there was district planning going ahead on the parks policy without any reference whatsoever to the district planning that had to be done on the strategic land use planning program of the Ministry of Natural Resources. We would have had two different hearings going on within six months of each other on conflicting issues. We then would have had to have a third set of hearings to resolve the conflict. What we wanted to do was get the two systems intermeshed and have full public discussion, and we will.

The two systems will be intermeshed. We are

doing our district planning; we will have public input during that entire process; we will have site specific hearings, not only throughout northern Ontario but in southern Ontario as well, for a strategic land use plan. The public will be fully informed, and the public will be fully informed of the reasons we make site specific decisions.

There are a number of conflicting interests that have to be resolved. First of all, the resource companies have their point of view. Incidentally, the forest management agreements were given to the opposition parties in 1979 for their comment. The background rules and regulations were given to the opposition parties, to the parks council and to the Algonquin Wildlands League. We will have public meetings in Iroquois Falls with respect to the details of the forest management plan under the forest management agreements, and that process will be a public one.

The competing requirements of the resource industries, the proponents of the wilderness parks and the residents of every community in northern Ontario will be considered, as well as those of people in southern Ontario who wish to make use of the resources and the recreational opportunities in northern Ontario when we arrive at that decision. It will be done in a comprehensive planned way involving the people of Ontario.

Mr. Foulds: Final supplementary, Mr. Speaker: Can the minister then explain that strange memorandum that was sent out by the Assistant Deputy Minister of Northern Affairs that indicated there would be no public participation in the first—I believe; I do not have it in front of me—two stages of district strategic land use planning in northwestern Ontario?

Hon. Mr. Pope: Yes, I can explain that, and I thank the member for raising it. The memo was dated May 1, 1980.

Mr. Foulds: Nineteen eighty-one.

Hon. Mr. Pope: Nineteen eighty-one, sorry. It was written by Mr. McCormack, who is the the Assistant Deputy Minister for Northern Ontario. He is not the Assistant Deputy Minister of Northern Affairs. It was an internal memo in my ministry and not in the Ministry of Northern Affairs.

That was a reference to the status of the district plans under the parks planning process. What he was attempting to explain was that there would not be hearings on the district plans for the park planning process until the strategic land use planning process caught up to it, and that they had to be intermeshed.

I want to emphasize, because I think it is an important point the honourable member has raised, that it will not result in any undue delay. We believe we can intermesh the processes and the principles by the end of the summer, we believe we can have it out for public comment in the fall, and we believe we can get into a system of public meetings throughout northern Ontario and in southern Ontario in the early part of the next year.

That is the timetable I have given everyone within the ministry to work towards. We are going to put an emphasis on very localized public meetings to get the input on the specific. This is what the district plan involves, site proposals that implement the strategic land use plan and the parks plan. These are the very hard decisions that have to be made and, therefore, they above all should be made in public.

MOTION

CITY OF NORTH YORK BILL

Hon. Mr. Wells moved that notwithstanding order 65(g) a private bill respecting the city of North York may be introduced and given first reading, so that the bill may be considered by a standing committee on June 17, by which time publication of the notice will be complete.

Mr. Nixon: Mr. Speaker, the notice procedure is rather elaborate and designed to safeguard the rights of citizens in the area who may be concerned by the private legislation that may or may not be approved by the House. I do not see any objection to the motion, as long as the honourable minister can assure us that this in no way is circumventing the objections of citizens in the area who really ought to have all their rights protected under the rules of the House.

Hon. Mr. Wells: Mr. Speaker, I can give my friend that assurance. This bill has been the subject of discussion between the government and the mayor of North York over a fairly long period of time. It concerns a North York proposal for pension tax credits for senior citizens.

For some reason, the preparation of the bill has been delayed to conform with the advertising requirements and to conform with our rules and our time schedule here to get it down to a committee. If we cannot introduce it today and have the advertising continue, which would not be allowed under the rule we are asking to be waived, the bill probably will not get in here before we adjourn for the summer. This is really to accommodate that and to accommodate the wishes of the city of North York.

Mr. Nixon: I have no objection, but I suppose at the same time we are accommodating the platoons of lawyers in the ministry and for the North York council who might have been expected to know the rules of the House requiring notice—they are not too esoteric or complex—no doubt those people, if the Attorney General (Mr. McMurtry) will forgive me, are not going to do anything about the fees associated with the bill. We are covering up, really, bad management of the legislation.

Mr. Foulds: Mr. Speaker, I have no objection to the bill being placed, but I wish to be assured that the full complement of advertising will take place before the debate on the bill is terminated.

Hon. Mr. Wells: Mr. Speaker, I can give my friend that assurance. The notices that would be required will have been completed on June 13, and there will not be any consideration of the bill until after that time.

Motion agreed to.

INTRODUCTION OF BILLS

LIVESTOCK COMMUNITY SALES AMENDMENT ACT

Hon. Mr. Henderson moved, seconded by Hon. Mr. Welch, first reading of Bill 100, An Act to amend the Livestock Community Sales Act.

Motion agreed to.

Hon. Mr. Henderson: Mr. Speaker, the purpose of this bill is to amend selected existing provisions of the act which, because of changing conditions and the introduction of new technology, are unnecessarily restrictive. It grants the co-ops six sales a year in place of four, and it changes the cleaning-up methods.

EDUCATION AMENDMENT ACT

Mr. Grande moved, seconded by Mr. Swart, first reading of Bill 101, An Act to amend the Education Act, 1974.

Motion agreed to.

Mr. Grande: Mr. Speaker, the purpose of the bill is to ban corporal punishment in the schools. The bill provides that, notwithstanding the duty of teachers and principals to maintain discipline in the schools, teachers and principals must not administer corporal punishment to pupils.

11:40 a.m.

CROWN TIMBER AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. Swart,

first reading of Bill 102, An Act to amend the Crown Timber Act.

Motion agreed to.

Mr. Foulds: Mr. Speaker, the purpose of the bill is to confer upon the Minister of Natural Resources a duty to ensure that the crown timber resources of Ontario are managed on a sustained-yield basis.

CITY OF NORTH YORK ACT

Mr. Williams moved, seconded by Mr. Lane, first reading of Bill Pr14, An Act respecting the City of North York.

Motion agreed to.

ORDERS OF THE DAY

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

Mr. Swart: Mr. Speaker, I am happy to rise to speak on Bill 72. As you would expect, I am going to speak in opposition to second reading of this bill. I am going to speak with vehemence and some feeling, because I think it is one of the worst pieces of tax legislation that has been introduced into this Legislature in the six years I have been here.

Member after member in this party has risen during the past two weeks to condemn the budget of which, of course, this bill is a part. They did that because it is in conflict with the beliefs and the policies we would pursue if we were the government of this province.

The budget is loading down individuals and letting corporations off scot-free, in addition to giving them handouts. It is widening the gap between the wealthy and the poor and is cutting back on purchasing power so we do not have effective consumer demand, with the end result that there are going to be more people in this province out of work.

We in this party and, I think from the debate I have heard, the Liberals are angry over this bill and over the budget in general. I have to say that this bill in some respects is perhaps a smart political move. That is one word we could use: smart. I suppose another word we could use is cute. Perhaps more appropriately, we could say the bill we have before us for gasoline tax is tricky, devious, perhaps invidious and perhaps even sleazy.

But, as I said, it is probably politically smart, and I suppose we have to give some credit to that government on the other side of the House. Although most of the measures they introduced are ineffective in terms of solving any of the problems—in fact, they usually make them worse—the fact is that the government has some smarts politically, and perhaps this bill is one of them. It knows that the next election is likely three or four years down the road and, with the memory of the public, there is a real possibility people will have forgotten the impact of this bill by the time the next election rolls around.

It also means they do not have to announce, year after year during the next three or four years, any increase in gasoline taxes. The Premier (Mr. Davis) will be able to go about the province in the next election and say, “We have not increased the rate of tax in this province on gasoline in three or four years.”

Somebody may remind him, “Oh yes, but you are taking twice or three times as much out of the people of Ontario as you were back in 1981.” He will say, “Oh, but we did not have anything to do with that; that is the federal government.” He will point across this legislative forum and say to the Liberals: “It is your friends in Ottawa who raise the gasoline prices. We just have a tax on gasoline. They are therefore primarily to blame.”

In that respect it is rather a smart move. It removes the right of this Legislature to deal with the tax rate year by year, because now they will not have to bring in any bill before this Legislature. The government once again is taking away some of the power this Legislature normally would have, and should have, and did have under the minority government. It will mean the government is going to get tremendous increases in tax revenue without having to increase the rate at all. With this ad valorem tax that will be the end effect.

I have a clipping here from the *Globe and Mail* dated May 18 of this year. The headline says, “Toronto Gasoline Rising at a Rate Double Inflation.” The article says: “Despite the continuing impasse between the federal and Alberta governments over the appropriate price for Canadian crude oil, the price of gasoline in the Toronto area is soaring at more than double the rate of general inflation.” That is not news to anyone in this House.

In the bill we have before us this sentence occurs in the explanatory notes, and I want to read it: “The bill makes provision for the minister to alter the price on which the tax is

based so that increases and decreases in retail prices can be reflected by a corresponding change in the tax payable.”

Whoever wrote that explanatory note sure had a sense of humour if he thinks there is going to be any decrease in gasoline taxes in this province. The whole purpose of the bill is to get more revenue as the price of gasoline increases; it has nothing to do with a decrease. We know a decrease is not going to take place.

Our research department points out—and this was before we had this recent tax increase of two cents a litre, or nine cents a gallon—that the tax was 4.6 cents per litre before this budget came out and that the tax went up to 5.4 cents after the budget came out. Now it has gone up again. By 1982, it will be 7.2 cents; by 1983, it will be 8.14 cents per litre. In fact, by the end of 1983, the tax collected on gasoline will be something like 77 per cent higher than it was before the budget was brought in this year. That is a tremendous blow against the people of this province.

To levy a tax that is going to take revenue at twice the rate of inflation and does not take into account the ability to pay is a disgrace to a government that professes to be concerned about the people. Double the inflation rates! Sock it to them! That is exactly what this bill does.

11:50 a.m.

Our research department also points out that the average family—

Mr. Grande: The Minister of Revenue (Mr. Ashe) is smiling.

Mr. Swart: Yes, it may be a joke to the members over there. I do not suppose there are many on that side of the House whom this is going to hurt, but the majority of the people of this province are going to be hurt. They are not in the income category of the people on that side of the House.

Our research department indicates—and again these are conservative figures—that in 1980 the average family made payments of \$138 in gasoline tax; they will pay \$168 this year, \$218 in 1982 and \$244 in 1983. The likelihood is that those will be higher and that the 77 per cent increase will be less than what actually has taken place. It is regressive, it hurts most those who are on low income and it hurts the economy.

I have a letter here that was sent to the Premier after the budget was brought down. It

refers to the gasoline tax as well as other things, and I want to read it into the record. It is dated May 27, 1981:

"Dear Premier Davis: I am instructed by the executive of Local 523, United Electrical Workers of America, here in Welland, to strongly protest your recent budget. Your financial slap in the face to the working people in Ontario is very detrimental. Your grab of \$603 million in higher income taxes will certainly cut into the take-home pay of many who cannot afford to get by now. Instead of eliminating Ontario health insurance plan premiums, you have increased the cost. Increasing gas and diesel taxes will hit the poorest the hardest.

"You keep giving the big corporations large sums of money, and now exempt them from any of the increased taxes. The poor and those on fixed incomes, along with many aged, will now have to bear a much heavier burden. Your budget does nothing to help the loss of homes, aid the farmers or small businesses now struggling to stay alive. Your budget does nothing for the unemployed. Your government has again proven that it is truly a big business government and leaves the average Canadian with no recourse but to try and survive by fighting for more wages in order to scrape by."

I personally endorse the sentiments expressed in that letter. I suppose one might expect a letter like that to come from the United Electrical Workers or from any of the unions, because they realize the impact of this budget on the working people.

But what perhaps is more significant is something that happened to me just a week ago last Sunday, when I was at an event in my municipality. A man and a woman there—he held a very senior position in the Royal Canadian Legion—came up to me. They had told me before this last election that they were going to vote for me this time, although they had been Conservatives all their lives. At that time I suggested to them that perhaps in the not-too-distant future they might be voting NDP across the board. They said, "No, we have been Conservatives all our lives."

I met them again a week ago last Sunday at an event. She came up to me with several people around and said: "Mr. Swart, what you predicted has come true. After the budget that has been brought down by the government of this province, we will no longer be voting Conservative either provincially or federally."

Although there may be a lot of people who will forget this kind of imposition on them by the time the next election rolls around, if that party

keeps this up its support is going to be eroded to a point where it will not have the government of this province very much longer.

This is an extremely regressive tax, as we have already pointed out. Looking at the budget, I find that the personal income tax provides something like 25 per cent of the income of this province. The personal income tax is relatively progressive; there are provisions federally and provincially that give loopholes and escapes to the people who have higher incomes, but it is more progressive than many other taxes.

The retail sales tax provides something like 16 per cent of the budget of this province, according to the Treasurer's (Mr. F. S. Miller) figures; and although the retail sales tax theoretically is not progressive, because there are exemptions on some of the basic necessities of life, it is progressive to some degree. The people with lower incomes buy substantially less and buy cheaper products, and therefore to some extent it is a progressive tax. The corporations tax provides something like 11.2 per cent of the income. It is, at least to some extent, a progressive tax.

When we come to Ontario health insurance plan premiums, which provide 6.8 per cent of the income, they are the ultimate in regressive tax. If one is going to be in that plan, it is not optional whether one can buy a cheaper plan. If one is going to be in that plan, one has to pay it. One has to be all the way in and pay exactly the same fees if one is making \$10,000 a year or if one is making \$50,000 a year.

Now we come to the gasoline tax which, according to the budget, is going to provide just in excess of five per cent of revenue—of course, it will go up substantially higher—and we find a tax that is almost as regressive as the health premiums, because those with low incomes will pay exactly the same tax. They may not drive as much, but they will pay exactly the same tax on a litre of gas as those with higher incomes.

It is more regressive than that. If one checks the statistics, one finds that people on lower incomes generally have older cars, which is understandable. They have not been able to afford to trade them in on the new, lighter models; so proportionately they are going to be using more gas to go a mile than do people who are able to buy new cars. Therefore, they are going to be paying a disproportionate amount of this increased tax that is going to hit those on lower and middle incomes.

Also, it is going to hurt people in northern Ontario, not only because they drive much

farther than do people in southern Ontario because of the distances, but also because the average income of people in northern Ontario is generally somewhat lower than it is in a place like the city of Toronto. I see the Minister of Northern Affairs (Mr. Bernier) is looking up rather quizzically, but he will find out that is the case. The people in northern Ontario are going to be hit hard by this tax on two counts; they are going to get a double whammy.

Outside places like Toronto, in the smaller centres where there is either no public transit or a very limited public transit system, people must get back and forth to work and make their various other trips by automobile. So people in the smaller centres, who once again generally have somewhat lower average incomes than do people in places like Toronto, are going to get hit hard by this. On all counts this is an extremely regressive tax and should never have been implemented in this form.

What makes it even more unacceptable to us on this side of the House is that while the Treasurer is now indexing the gasoline tax rates, he is not indexing them to the inflation rate or to average wages and salaries. He is indexing them to the commodity that is going to have the greatest price increase of any commodity in our society. He indexes taxes—income tax, sales tax, now gasoline tax—to this inflationary rate, but the government will not index to the cost of living the income that comes from provincial government so that the standard of living of those people will not drop.

12 noon

For instance, why does the government not index the minimum wage to the cost of living if it believes in indexing? In the last five years, the minimum wage has gone up 38 per cent while the cost of living has gone up 70 per cent. Why does the government not index that?

Why does it not index the income of people who are on permanent disability from the Workmen's Compensation Board? In the last five years, their income has not kept up with the cost of living. Why does the government not index the income of people who are on disability pensions? Their income has not kept up with the cost of living. In fact, the Ontario Welfare Council reports that people who have been on public assistance have had a loss of 31 per cent in their standard of living during the last five years.

This is tremendously objectionable to us. The government can index its taxes to an escalating inflation rate; yet, when it comes to income for

those people who are far below the minimum income recommended by the welfare council and almost every other organization, the government cannot find it within itself to index their income so they do not become poorer and poorer in this society while the government is taking more and more revenue from those same people.

Finally, what infuriates us on this side of the House is the contrast in the way this government and its friends in Ottawa treat the gasoline consumer vis-a-vis the giant oil companies. During the recent election campaign, we saw headlines in all our papers and on radio and television which announced the major oil companies in this nation had ripped off the Canadian consumer to the tune of \$12 billion in today's dollars.

Those on the other side of the House will say that is the fault of the federal government. To a substantial degree, it was the fault of the federal government. In that news report, it points out that every man, woman and child in this nation had been bilked of \$2,500. To put it another way, \$12 billion would have paid the salaries of 600,000 families earning \$20,000 annually.

As to the combines investigation, the report goes on to say: "In the press conference yesterday, Robert Bertrand, the director of the bureau of competition policy, said that matters have not changed much for the better since the investigation," which only went up to 1978.

Oil companies have increased their refining and marketing margins by an amount that increases their earnings by more than \$1 billion a year. The pattern is still repeating itself. It is time to stop.

What representation did the Ontario government make to the federal government that the combines legislation should be changed so that sort of thing could not take place in the future? None, of course. In fact, there was a conference called last year in Regina by the federal Minister of Consumer and Corporate Affairs, Mr. André Ouellet, to deal with the combines legislation. That was its primary purpose. He is on record as stating they have known for 10 years that the legislation was inadequate and they have been trying to strengthen it.

Last year they had a conference. That was the first item on the agenda; I have a copy of it. I got it because the Minister of Consumer and Commercial Relations (Mr. Walker) said he did not know that was on the agenda. He made that statement in this House when I asked him why he had not gone. He did not even go to that

conference. He did not even go a conference that was going to deal with a matter that could prevent a \$12.1 billion ripoff of the Canadian consumers.

That same government does not bother to go to it. They made no representation whatsoever to pass legislation that the federal government should change its legislation so that this cannot happen in the future or even to change the legislation to recoup some of this money for the consumers, the people who drive automobiles in this province, in this nation. They bring a bill into this Legislature which is going to tie the tax to the rate of inflation for gasoline so they can collect double the average inflation rate in taxation.

I want to conclude by saying I think those reasons on their own, if nothing else—and my colleague from Hamilton Mountain (Mr. Charlton) and many of the other speakers have given other substantive reasons why this bill should not be passed by this Legislature, why it should not become law in this province—certainly show the bill is contradictory to the best interests of the people of this province. Most of all, it is once again going to widen the gap between the poor and the wealthy, a process that has been taking place, according to Statistics Canada, in this nation for the last 10 years, and is taking place in Ontario to a substantially greater degree than in any other province in this nation. Shame on the government for bringing in this kind of bill.

Mr. Boudria: Today I rise to speak on behalf of the electors of my constituency on this legislation. It is very regressive legislation and it does not please my constituents at all to see this type of thing, especially considering the events of the last week and the effect they will have on the so-called ad valorem gasoline tax.

In fact, ad valorem tax is a misnomer because it means a tax on the value. The Concise Oxford Dictionary identifies value as what something is worth. I suggest that in terms of the taxes we have on gasoline at this time, we are certainly not paying what gasoline is worth. We are paying a far greater amount than it is actually worth in the true sense of the value of the product. Therefore, ad valorem taxation is a misnomer because it implies that we are taxing gasoline on its value, and many of us do not think that is what that product is worth.

12:10 p.m.

Monsieur l'Orateur, je voudrais aujourd'hui discuter le Bill 72 que nous avons devant nous.

Je reconnais que le gouvernement a besoin de fonds. Le gouvernement pour opérer des programmes sociaux, et cetera, qu'il faut faire dans cette province, il est nécessaire que le gouvernement se procure les fonds par le mécanisme d'impôts qu'ils ont besoin pour instituer les différents programmes. Ça, je le reconnais mais je refuse de croire qu'il est nécessaire d'augmenter le prix du carburant de la façon que le gouvernement le fait dans le moment. D'augmenter le prix du carburant quatre fois par année, surtout quand le gouvernement ne sait même pas ce que les autres gouvernements vont faire dans cet intervalle, ça devient très, très injuste.

Naturellement, le gouvernement de l'Ontario ne sait pas ce que le gouvernement, comment le gouvernement fédéral va augmenter le prix de l'essence dans ses négociations avec l'Alberta. Il est impossible pour le gouvernement de l'Ontario alors de prédire comment d'argent qu'ils vont se procurer par ce mécanisme. Etant donné que ce n'est pas possible de prédire combien d'argent ils vont faire, je crois qu'il est très difficile d'utiliser ce système-là de taxation pour en arriver à un résultat qui va faire en sorte qu'ils vont avoir le nombre d'argent nécessaire pour instituer leurs différents programmes.

La situation présente nous indique que le gouvernement va avoir beaucoup plus d'argent par ce mécanisme qui va faire en sorte qu'ils vont avoir le nombre d'argent nécessaire pour instituer leurs différents programmes. La situation présente nous indique que le gouvernement va avoir beaucoup plus d'argent par ce mécanisme qu'il s'attendait à avoir lorsqu'ils ont introduit le budget il y a quelques semaines. Je crois que ce projet de loi est très, très injuste envers les électeurs qui demeurent dans les régions hors les grandes villes de cette province. Il est facile à accepter que les électeurs d'une grande ville peuvent se procurer le transport en commun, ils peuvent prendre l'autobus, le TTC, ou OC Transpo dépendant dans quelle ville ils demeurent et obtenir ces services, ils n'ont pas nécessairement besoin de leur automobile à chaque fois qu'ils doivent sortir de la maison.

Cependant, les électeurs de mon comté n'ont pas le choix. Il n'existe pas de transport en commun dans la grande majorité des comtés de Prescott Russell. Il y a seulement le transport en commun dans la partie extrêmement à l'ouest de mon comté soit le canton de Cumberland, là où le service OC Transpo a été institué dans les dernières années, pour desservir une petite partie de la population de mon comté. Hors

cette région, il est impossible d'avoir du transport en commun et alors il est essentiel que mes électeurs utilisent l'automobile familiale, la machine familiale si vous voulez, pour se déplacer d'une place à l'autre. Pour se déplacer d'une place à l'autre, pour aller gagner leur vie, pour gagner le pain afin de pouvoir payer les autres taxes qui ont augmenté dans ce même budget que nous voyons.

Les députés de l'est de l'Ontario, les députés du nord de l'Ontario devraient en groupe s'objecter à ce projet de loi. Je remarque qu'il n'y a aucune de ces régions dans la Chambre en ce moment et peut-être que c'est parce que les députés, justement, ne voulaient pas entendre ce qui serait dit aujourd'hui parce que ça serait difficile pour eux de voter avec le gouvernement de cette province ayant compris que cette taxe aurait des effets néfastes envers les électeurs de leur comté aussi. Dans des comtés où les villes sont encore plus loin que dans mon comté, dans Cochrane nord, dans d'autres comtés, dans l'est de l'Ontario, les effets de cette taxe sont réellement négatifs, et je crois que c'est très, très injuste.

Je remarque ici un article du Toronto Sun. L'article qualifie le budget dans lequel on impose cette taxe "A Budget for Dingalings." Alors, on voit ici dans cet article que tous les journalistes dans cette province trouvent que cette taxe est non seulement régressive mais qu'on doit s'objecter fortement à ce que le gouvernement essaie de faire dans ce projet de loi. Le rôle du gouvernement de cette province est de protéger les consommateurs de l'Ontario. Le rôle du gouvernement n'est pas du tout de tenter de rendre la vie plus difficile qu'elle l'est actuellement. Assurément ce n'est pas la raison pourquoi les électeurs de l'Ontario ont élu ce gouvernement lors de l'élection du 19 mars. Les électeurs de l'Ontario de bonne foi, ont élu ce gouvernement parce qu'ils croyaient que ce gouvernement était capable de leur venir en aide. Alors quelle déception les électeurs doivent avoir.

On dit que ce budget n'affecte pas beaucoup les agriculteurs. On dit que les agriculteurs naturellement ne paient pas la taxe sur la gasoline en ce qui a trait à son utilisation sur la ferme. Mais c'est pas tellement vrai. Il faut se rappeler que nos agriculteurs doivent se déplacer d'une ferme à l'autre avec leur automobile familiale, et cetera, ils n'ont pas le choix. Les agriculteurs ne demeurent pas dans les villes, ils n'ont pas le transport en commun. Alors chaque fois que ces gens-là, du secteur rural, doivent se déplacer d'un endroit à l'autre comme ils doivent

le faire maintes et maintes fois par jour, ils doivent payer ce taux de taxation sur ce carburant-là.

Alors je dois dire que nos agriculteurs ne sont pas très bien traités dans le moment par le gouvernement de l'Ontario, ils ont encore la vie plus difficile qu'ils l'avaient avant. On se souvient que le même budget parle des primes d'assurance-maladie et puis que là encore les gens du secteur rural, les gens qui travaillent dans la petite entreprise, les agriculteurs, tous ceux qui paient directement pour leur taux d'assurance-maladie, ces gens-là sont affectés plus que les autres. Encore ici les gens du secteur rural doivent payer une plus grande proportion que les autres dû au fait naturellement qu'ils demeurent dans des secteurs où ils doivent utiliser leur automobile tous les jours.

On nous dit que Monsieur Lalonde et Monsieur Leitch vont en venir à une entente d'ici peu sur le taux de taxation et sur les revenus du Bill entre l'Alberta et le gouvernement fédéral. C'est bien ça, excepté qu'on peut en conclure, afin d'arriver à cette entente qu'il va falloir encore une fois monter le prix de l'essence. Le gouvernement de l'Ontario va encore, à ce moment-là, augmenter son coût de taxation puisqu'il est par le fait même *ad valorem*, ou basé sur la valeur comme on disait tantôt.

Les taxes sur les grosses corporations, les grandes entreprises, les banques n'ont pas été augmentées dans ce budget. Je crois en mon humble opinion qu'il aurait été beaucoup préférable d'augmenter les taxes sur ces grandes entreprises-là, si on avait besoin des fonds plutôt que de les augmenter sur la valeur de l'essence. Même s'il est nécessaire d'augmenter les taxes sur la valeur de l'essence, je ne crois pas qu'il est essentiel de le faire par pourcentage, ou d'une façon *ad valorem* comme on dit dans le budget. Parce que c'est injuste envers les gens qui peuvent se le permettre moins.

On voit ici le rapport de la Ligue d'automobile de l'Ontario, comme on dit en anglais, the Ontario Motor League. Ce rapport nous indique que les automobilistes en Ontario paient déjà une plus grande proportion des taxes qu'ils devraient payer. Ce rapport ici justement dit qu'en 1979, les automobilistes ont payé en taxe sur l'essence \$1,005,503,000 et que les dépenses pour fins routières ont été seulement de \$994,120,000, ce qui veut dire que les automobilistes ont payé 101 pour cent des dépenses reliées à la Voirie en Ontario. Si on se souvient bien, la raison pourquoi on a une taxe sur l'essence ou sur le carburant en Ontario, si on se

rappelle dans l'histoire quand cette taxe a été instituée, ça s'appelait la taxe de la Voirie, ou comme on dirait en anglais, the road tax. Comment peut-on justifier d'augmenter les taux qu'on charge pour cette taxe si on n'augmente pas les services routiers en Ontario.

Ce qui m'amène au prochain point. Dans l'est de l'Ontario, notre système routier n'est pas adéquat. Le gouvernement ne nous parle pas qu'avec cette taxe, cette nouvelle taxe ad valorem qu'ils vont améliorer le sort des routes dans ma région, le gouvernement ne mentionne pas qu'ils vont construire la route 416 pour rejoindre la 401 à la capitale nationale de notre pays. Le gouvernement ne mentionne pas qu'ils vont améliorer la route 17 entre Orléans et Rockland. Il n'y a rien de cela de marqué dans le budget. Ce n'est pas même dans le programme de cinq ans du ministère de la Voirie. Encore une fois le gouvernement ne parle pas qu'ils vont construire un échangeur à St. Bernadin sur la route 417. Toutes les améliorations nécessaires dans ma région ne seront pas faites aux routes. Mais les électeurs de mon comté paieront quand même cette taxe injuste, ad valorem, que le gouvernement prévoit instituer.

Le gouvernement nous dit pour justifier sa position que l'Ontario est l'une des deux seules provinces qui n'a pas de taxe ad valorem dans le moment. Bien depuis quand est-ce que l'Ontario est en compétition avec les autres provinces pour qui paierait les plus hautes taxes? Je crois que jamais ça été notre rôle ici en Ontario d'essayer de justifier pourquoi on paierait plus cher que les autres. On se flattait ici en Ontario de jouir des situations économiques meilleures que les autres provinces. Il y a seulement quelques années on appelait l'Ontario, en anglais, the province of opportunity.

12:20 p.m.

Comment peut-on dire que cette province jouit d'une situation économique meilleure que les autres quand on essaie en même temps de justifier pourquoi on devrait charger aussi cher que toutes les autres provinces dans le Canada pour la taxation sur la gasoline. Ce n'est pas une façon très valable de dire qu'on est dans une situation envieuse dans cette province. Peut-être qu'on l'a déjà été. Mais on ne l'est plus dans le moment et le gouvernement refuse de reconnaître cette situation. Ça c'est déplorable.

N'oublions pas, non plus, que l'Ontario au contraire des autres provinces est dans la situation où on consomme le plus de carburant que les autres. On nous dit que chaque consommateur d'essence devra travailler six ou sept jours de

plus par année afin de payer pour cette augmentation. Bien moi, ça ne me plaît pas beaucoup de travailler une semaine par année de plus pour la donner au gouvernement pour qu'ils puissent instituer des programmes ailleurs. Je crois que c'est très injuste parce que notre région, l'est de l'Ontario n'a pas jouit comme les autres régions de l'Ontario de tout ce que le gouvernement aurait dû faire pour nous.

Le rôle du gouvernement ils doivent trouver une solution au problème d'inflation dans cette province. Le rôle du gouvernement n'est pas de créer l'inflation. Mais c'est ce qu'ils font avec cette taxe. Cette taxe va créer l'inflation parce qu'elle est organisée de façon à contribuer deux pour un au taux d'inflation par le fait même que c'est 20% du prix, le prix de la valeur marchande de l'essence. Si cette taxe est si bonne, comme le gouvernement semble nous dire, si elle est si essentielle, si nécessaire et tous les autres adjectifs qu'on nous a énumérés pendant la présentation du budget, alors comment se fait-il qu'ils ne l'ont pas introduite avant l'élection du 19 mars? Serait-ce une coïncidence? Non. Je ne crois pas. Serait-ce parce qu'il aurait été défait en chambre? Oui. C'est ça la raison que le gouvernement n'a pas introduit ces mesures avant l'élection du 19 mars. Parce qu'ils savent maintenant qu'ils peuvent s'en tirer indemnes, ou ils pensent qu'ils peuvent s'en tirer indemnes.

You know, Mr. Speaker, the government is reaping windfall profits from this taxation. How can we conclude that this government is dedicated to energy alternatives and all this type of thing when it is going to be actually losing money if it encourages alternative forms of energy? Every time they propose to us to change our automobiles for propane or this type of thing, I don't believe they are being really serious because it is to their disadvantage when something like that happens.

Of course, even though they tell us there is no taxation on propane, just wait until we change our cars to propane or compressed natural gas or whatever. As soon as we have converted our automobiles for that they will change the taxation on that in order to reap the revenues. This is just a ploy that we are witnessing at this moment. Surely one cannot believe what the government is telling us in that particular situation. If anybody is naive enough to believe that, they would be equally deceived as they were following the "keeping the promise" slogan of March 19. We know how well that promise was kept.

On voit ici un article que je lis dans le Toronto

Sun, ou on qualifie Monsieur Davis "the Benedict Arnold of the oil set." Et on parle là-dedans que Monsieur Davis se disait lui-même le champion des consommateurs. Comment se fait-il que le champion des consommateurs les a trahis? Très difficile à comprendre.

Je suis content de voir que le Trésorier nous est revenu en Chambre pour écouter l'exposé que je veux présenter de la part des commettants de Prescott Russell, et j'espère que le Trésorier portera attention parce que je crois que c'est très important pour les commettants de ma région, n'est-ce pas. Je lis un peu dans le budget.

On voit ici et je vais citer, si vous me permettez, simultanément je propose des augmentations de taxe suivantes. Bon, c'est la première de ces taxes-là que, qui est réellement, qui nous offense, nous dans les positions. Premièrement, la nouvelle taxe calculée sur la valeur de l'essence sera établie de façon à incorporer une augmentation moyenne d'environ un cent par litre alors que le nouveau taux d'imposition pour le carburant diesel comportera une augmentation de 1.1 cents par litre. Bien ça c'était peut-être même valable le jour où le budget a été fait. Peut-être. Je ne suis pas sûr. Mais avec les événements qui sont arrivés récemment à Ottawa, avec les coupes d'huile de l'Alberta, avec le fait qu'on doit augmenter les importations pour couvrir ce montant de coupe d'huile, que le gouvernement de l'Ontario va recevoir des fonds qu'il ne s'attendait pas d'avoir.

Le Trésorier ne peut pas nous dire qu'il s'attendait que le taux d'essence augmente de deux cents le litre comme on nous a annoncé cette semaine. Peut-être a-t-il une boule de cristal, mais personne d'autre le savait que le taux était pour augmenter de cette façon-là. Alors si le taux augmente, si le taux augmente d'une façon qu'on ne s'attendait pas, on peut en conclure que votre taux de taxation est maintenant devenu déraisonnable. Il est maintenant devenu excessif. Si le gouvernement a besoin de tous ces fonds-là qu'on énumère dans le budget, alors pourquoi pas fixer un montant de taxation sur la gasoline fixe pour l'année afin que les gens soient assurés de ce qu'ils auront à payer, afin que les travailleurs syndiqués lorsqu'ils vont négocier un contrat de travail, qu'ils pourront pas s'attendre qu'il va y avoir des taux d'inflation avec des variables qu'ils ne peuvent pas déterminer dans deux, trois, quatre, cinq, six mois d'astheure. Pourquoi ne pas dire, on doit imposer un taux de tel montant et le prélever. Je crois que ça serait une façon beaucoup plus équitable de le faire.

Je crois que si le Trésorier y songe très sérieusement, et je crois qu'il doit le faire par bout, il devrait être tenté de changer ce taux de taxation-là. Moi je ne serais pas surpris si le Trésorier n'a pas considéré dans les derniers jours de retirer ce Bill et d'en ré-introduire un neuf avec un montant fixe pour la taxation. Le Trésorier nous dit que le pourcentage est fixe, mais le pourcentage de quoi Monsieur le Trésorier. Naturellement vous ne pouvez pas déterminer. Ah oui, oui, vous dites, pourcentage de la valeur marchande. Très bien. Mais vous ne savez pas ce qu'est la valeur marchande. Vous ne savez pas ce qu'elle vont être dans trois mois et dans six mois, cependant, lorsque vous avez compilé votre budget, vous le savez ce que va être vos dépenses pour un an. Comment pouvez-vous dire que vous avez besoin d'un montant de dollars fixe mais vous devez prélever un montant de taxe qui n'est pas fixe afin d'arriver à ce résultat fixe. C'est une contradiction.

Je lis un peu plus loin dans le budget, lorsque l'orateur s'adresse à vous, Monsieur l'orateur, Monsieur le Président, et on lit comme suit: J'ai décidé de ne pas modifier le taux d'imposition sur les profits des compagnies et le taux de l'impôt sur le capital à cause de l'importance que j'accorde à la préservation d'un climat favorable à l'investissement. Ça c'est remarquable. Je dois faire remarquer ici que nous avons déjà, au cours de ces dernières années, augmenté les impôts pour les compagnies. Peut-être vrai. Cependant, on doit se rappeler que le chef du parti NPD nous a énuméré ce matin que les revenus des banques, les revenus nets des institutions financières ont grandi d'une façon considérable dans la dernière année.

12:30 p.m.

Alors on peut en conclure que si les revenus ont grandi de cette façon, c'est justement ces mêmes institutions qui peuvent se permettre de payer un niveau de taxation plus élevé et non pas les consommateurs de la province de l'Ontario et surtout pas les consommateurs du comté de Prescott Russell.

I have a few other things here, Mr. Speaker, that I would like to point out. Just in the last day or so, I have looked up a few matters I feel may be important just to remind the members of this House how they are being deceived by this government and how the government is not keeping the promise. I think we remember the words, "keeping the promise."

Let us read some of these fine things. This is an excerpt of a speech the Premier made to the

Ontario PC Campus Association on September 15, 1979. Let us read some of it, if the members are interested in listening.

"But we also took the view that we have a price increase which generated the kind of cash for the government of Canada, the foreign oil companies and the government of Alberta which they could not possibly reinvest quickly enough to solve the energy security problems would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province and Canada as a whole."

I think the Treasurer is holding the can of Raid right now and he is pointing it at the consumers of this province. Let me read a little further here, this is very interesting: "We also argue that there is only so much that you can take out of the economy by means of energy price increases before the economy begins to suffer and suffer seriously." I wonder if the members opposite recall that. I think perhaps it is good to bring it to their attention. I read a little further:

"I believe that if we were to have a massive move to world price, the kind of harm it would do to our economy would not only ensure that we followed the Americans down the road to recession, but that we did considerably worse." Just a reminder that some people in the Tory party, namely the Premier, made statements like that.

I have a few more here, Mr. Speaker, and if you would like I will read them to you. This particular speech was made—

Interjections.

Mr. Boudria: There were interjections there, but I will continue. This particular speech was made to the annual meeting of the Association of Municipal Electric Utilities. On page eight of that same speech, which is a speech by the Premier, he says:

"Our broad policy purpose will not change. It was and is the three-pronged objective of adequate and secure supplies at reasonable price." The word "reasonable" here is underlined in the speech, probably so that the Premier could put an emphasis on the word "reasonable" when he said it to those fine people of the electrical association. He probably got a good round of applause for that at that particular time, but I don't think he would get the same applause today. I read further:

"We did not compromise our position with the Clark government and it would be an error to assume that we will compromise it with the new government of Mr. Trudeau. To compro-

mise on that policy would be to compromise the future of the people of Ontario. That we will never do." Notice the word "never." It is very interesting. I read further:

"I have no doubt that prices will increase, but equally, no one will be left in doubt as to the Ontario position. Price increases without a commensurate improvement in supply security and appropriate distribution of oil related revenues will be opposed."

Mr. Wildman: They are doing their own distribution of revenue now.

Mr. Boudria: They sure are. They are sure distributing the revenue to themselves.

I have here another speech made by the Deputy Premier and Minister of Energy (Mr. Welch). On November 15, 1979, the minister was speaking at the Canadian energy conference in Banff, Alberta. To these people he said the following:

"I should like to think in the context of assuring adequate oil supply that the industry views itself as implicitly holding in trust the revenue it receives from the consumers"—I wonder if the government is worthy of the same trust—"and I would like to think that the pricing of oil and natural gas will not be used as simply disguised taxation, a means of cascading additional dollars into the coffers of government."

Of course, the minister is saying he hopes this does not happen. I wonder if he sent a copy of that speech to the Treasurer. Perhaps not. Reading further:

"Surely it is reasonable to expect that our objective to attain self-sufficiency in oil as soon as possible will not be converted into a mechanism for simply expanding the cash flow of government."

I am sure they never thought of doing that. I have a few more here. This speech was made by a gentleman who is no longer in this Legislature, the former Minister of Natural Resources (Mr. Auld), at the energy ministers' conference in Quebec City on November 16, 1978. This whole speech deals with this topic, but I will not read it all, merely a few very pertinent excerpts from it:

"It is certainly ironic to hear the federal government now uses the same arguments in support of its case that it has always rejected when Ontario consistently advocated them for the past four years. It is still nice to see, however, that they recognize the need to restrain energy prices so as to minimize the effect on (a) inflation, (b) employment and (c) the competitive position of Canadian industry."

Mr. Wildman: We have beaten inflation now, haven't we?

Mr. Boudria: Maybe the Treasurer has wrestled inflation to the ground in this province, but I still think it is a problem. Reading further:

"Ontario has long recognized the direct relationship between price increases unrelated to the cost of production and these economic consequences."

I wonder if these price increases in that tax are related to the cost of production. I suggest we do not produce all that much oil here and we are increasing the taxes. Therefore, we can conclude that the policies of this Treasurer directly contradict the statements made to the Legislature by the former Minister of Natural Resources.

Here is another interesting one made by the former Minister of Energy (Mr. J. A. Taylor) on February 1, 1977, at the energy ministers' conference in Ottawa. Let's hear what he has to say: "First, we are opposed to any increase in the price of oil and natural gas."

I wonder if they could say the same thing today. If they were opposed to a price increase, they would be opposed to generating more revenue for themselves, which leads one to believe that when they go to Alberta and pretend they do not want price increases, Peter Lougheed will not believe a word of it. I would not blame him for that at all because it would obviously not be too easy to reject comments made to that effect by this government.

He went on to say, "We are opposed because the stated objective of this annual escalation—that of ensuring security of supply through expanded exploration and development—has not been met." Of course, this taxation would not increase supply either. "We are opposed because it will create further unemployment when the unemployment rate is the highest it has been in 20 years with nearly a million Canadians out of work."

12:40 p.m.

These are the same folks who were telling us that increasing the price of gasoline, which we are now doing at an astronomical rate, would cause unemployment. Therefore, we may conclude that one of the objectives of this budget is to create unemployment. They are the ones who said it was going to do this. I would not disagree with the member for Prince Edward-Lennox (Mr. J.A. Taylor) when he said that. He is a very learned gentleman and he said doing this would cause unemployment, so one can only assume this is one of the objectives of the government.

We will read a little bit further: "We are

opposed because it further fuels inflation." Some of us on this side of the House have been saying lately that this would fuel inflation. But the government was saying "nay." Some of their members did not share that opinion. Perhaps that is one of the reasons they are not in the cabinet any more.

I will read further: "... fuels inflation, places an unnecessary burden on all sectors and individuals of our society"—we have to note the word "unnecessary"—"and places an intolerable burden on those least able to bear it."

Monsieur l'Orateur, cette partie-là est très importante. Parce que beaucoup des gens de mon comté sont sans emploi. Beaucoup de mes électeurs sont au bas de l'échelle salariale. Ces gens-là ne peuvent pas se permettre de s'acheter des automobiles neuves, de s'acheter des automobiles nouvelles qui consomment moins de carburant que les automobiles des années jadis. Alors ces électeurs-là doivent garder leur automobile, doivent garder une automobile qui prend plus d'essence, qui est moins efficace si vous voulez, et ces mêmes gens qui peuvent le moins payer, qui doivent payer les augmentations de prime d'assurance-maladie, doivent maintenant payer une plus grande proportion de l'augmentation de cette taxe sur l'essence. Alors comme vous voyez, Monsieur l'Orateur, c'est très, très, très injuste. N'êtes-vous pas d'accord? Bon, continuons. Je vais continuer avec l'exposé que Monsieur Taylor faisait et que je mentionnais tantôt.

Mr. Speaker, may I read further: "Any increase in the domestic price of oil and natural gas at this time would be gouging the Ontario consumer."

Mr. Wildman: Times have changed though.

Mr. Boudria: Well times have changed. Ministers have changed. Minority—

Mr. Nixon: What is the French for gouge?

Mr. Boudria: Darder. Les consommateurs de l'Ontario se font darder par le Trésorier. C'est ça qui arrive aux consommateurs de cette province. Je vois que Monsieur le Trésorier semble avoir eu de la pratique à darder parce qu'il semble avoir le coup de poignet approprié pour le faire.

Interjection.

Mr. Boudria: Pardon? Un professionnel dardeur. Je suis sûr que les électeurs de mon comté partageront cette opinion. Continuons.

These are some of the reasons why the government of Ontario is opposed to any increase in the domestic price of crude oil and natural

gas at this time. There are pages and pages of reasons why we should not increase the price of gas. It is just incredible.

Members should listen to this because it is very important: "I would hope that the Ontario government opposition to any such proposal is shared by all members of the Legislature because I feel certain that I have the support of consumers in this province."

Those are the same consumers who supported the position of not drastically increasing gasoline prices. Those same consumers are now being gouged—to use the word of the government—by the same government that told them it would protect them not long ago.

This sentence explains it all: "The public is fed up, and rightly so." That is in the text of that speech. If they were fed up at that time one can imagine how they feel right now. Just imagine what the consumers of this province think—the people who can hardly afford to buy gas for their cars in rural communities to travel to the next town to go to work. If they were fed up at that time imagine how they feel now when they have to pay these ridiculously high prices for gasoline that will be imposed by this ad valorem tax.

I read further: "In terms of increases in domestic price of crude oil, the promises, the commitments for a secure supply made by the government of Canada over the past three years have not been fulfilled." Somebody is accusing somebody else here of not keeping the promise. I wonder if the government here is keeping the promise all that well. I wonder what the people of this province think about this keeping of the promise.

I will go a little further here. I hate to take up much more time, but—

Mr. Nixon: Go ahead.

Hon. Mr. Ashe: The member is doing very well at it.

Mr. Boudria: Well, fine. At the insistence of the Legislature I will read further. There is more to say. There is so much here about the different ministers of the cabinet and the Tory government that has been there a very long time and about the promises they are now breaking.

Mr. Lane: We will be here for a long time yet, too.

Mr. Boudria: Some members opposite say they will be here for a long time yet, but four years is not that long. I can wait four years; I am sure the electors of this province can wait four years. Not only are they waiting, but they will

remember. This has happened enough times now. They will remember what is happening now. They will remember "keep the promise." They will sing the jingle right back to the members opposite in the next election, and they will not do it out of kindness, either.

I will continue. Again this very learned gentleman who was the Minister of Energy (Mr. J. A. Taylor) at the time says, "Ontario believes any national crude oil and national gas price policy should meet six basic objectives. It should develop additional supplies of crude oil, natural gas and, if need be, other sources of energy." These are the increases, of course. "It should protect the competitive position of Canada's industry. It should strengthen fiscal relationships among provinces. It should encourage the creation of new jobs." I would like to know how many new jobs are going to be created by this ad valorem tax, with the exception of those for a few Tories in high positions who are going to be in charge of administering this program.

I read further: "It should alleviate inflation." I wonder how much inflation will be alleviated by this. And lastly, "It should be equitable." I wonder what the people of this province would say if we asked them whether they think this is equitable.

I have read enough from this document. Perhaps I will move to other speeches made by other people at other times. There is plenty here to talk about, because the position of this government has always been in direct contradiction to what they are saying now.

This time I will read some parts of a speech made by a minister who is still here. This speech was made by the former Minister of Energy (Hon. Mr. Baetz) who is an eastern Ontario member. We said previously the people of eastern Ontario, especially the people of rural communities, were affected in a very particular way because of the distances between communities, unlike Metro and other places where one can take a bus and so on. I will read from this speech the member for Ottawa West made, and let us see to whom he said all these nice things.

This was a statement to the Legislature. Some members may recall it, I was not here at the time. This speech was made on June 20, 1978, and the topic was the proposed price increases for July 1, 1978, and Ontario's disapproval. Ontario, at that time, disapproved of a price increase. I will read what was said:

12:50 p.m.

"I should like to advise the members that during the past few weeks I have had discussions

with the Minister of Energy for Alberta and with the federal Minister of Energy, Mines and Resources about the proposed price increases of crude oil for July 1 and for the proposed increases in the price of natural gas.

"Those discussions have been followed up by my officials. At these meetings we have made strong representation against any price increase at this time while the Canadian economy is soft"—I suppose the Treasurer (Mr. F. S. Miller) thinks the economy is strong at this time—"and unemployment is high, and when inflation is still not under control."

Of course, that minister opposed price increases when they would cause the types of things we see in this document. Perhaps the Treasurer thinks all these problems have now been solved. I do not believe they have. I happen to think we are probably worse off now than we have ever been.

I will read further. This is a press release dated July 25, 1978. In this press release it says, "Ontario views crude oil and natural gas price increases unrelated to improving Canada's security of supply as inflationary."

That was the former Minister of Natural Resources (Mr. Auld). He viewed price increases unrelated to increases in production as inflationary. Mr. Auld viewed what the Treasurer is doing now as inflationary because he is doing the exact thing Mr. Auld said here we should not do. He viewed it also as "a deterrent to job creation and a further factor in harming Canada's industrial competitiveness."

I know the government members are not paying all that much attention to this because they are talking so loudly I can hardly hear myself think.

Hon. Mr. Gregory: Did you ever ask yourself why?

Mr. Boudria: They always expect us to listen attentively to all their learned deliberations.

Hon. Mr. Gregory: We can listen to reading any time. Say something intelligent.

Mr. Boudria: I think some of us have something to add to this debate and the electors of my riding tend to disagree with the government whip. They think there was a more intelligent way of being represented than by the person who was there before me because they turfed him out of office and elected me in his place. That constituted the only Tory who lost his seat in Ontario. I would like to remind the government whip of that when he says I should speak a

little more intelligently. If this is not intelligent just imagine what the remarks of my predecessor (Mr. Belanger) were like.

Mr. Havrot: That is why he was in for 15 years.

Mr. Boudria: Oh, there were no intelligent remarks. He never spoke.

I will read from another press release. This was on May 11 1977. This is about a meeting the then Minister of Energy (Mr. J. A. Taylor) had. I want to read it:

"Upon leaving a federal-provincial meeting of energy ministers in Ottawa today, the Hon. James Taylor stated that on behalf of the government of Ontario he had vigorously opposed any increase in the price of oil and natural gas in 1977." He vigorously opposed it.

Mr. Newman: Who said that?

Mr. Boudria: That was Mr. Taylor. He was the Minister of Energy. He opposed this. This is a quote from the minister: "'I have stated the reasons for the opposition of the government of Ontario to such increases on a number of occasions,' the minister said. 'It is not the time to increase inflationary pressures in Canada. It is not the time to further decrease job creation, and it is not in the interests of Ontario or Canada to reduce the competitive capability of our export industry.' The minister added that in his view it would be downright irresponsible to escalate prices at this stage of economic recovery in Canada."

Of course maybe the honourable member opposite thinks economic conditions have improved now and it would be responsible now. I assume the member thinks inflation is under control, and unemployment is no longer high? Is this the recovery at this time the member opposite is saying must be here to make this type of action responsible? If it was irresponsible in 1977 with the economic conditions we had then, just imagine how responsible it is now, with the worse economic conditions we have at this time.

Mr. Havrot: How responsible is the increase of 60 cents a gallon by your federal counterparts?

Mr. Speaker: Order.

Mr. Boudria: Thank you, Mr. Speaker, for keeping the members in order here. I really appreciate that.

I will quote a few things from Hansard. One's speech just would not be complete without quoting some excerpts from Hansard, especially when one considers this is a speech by the Premier. He said on October 16, 1979, "Ontario

is opposed to any immediate price increase beyond the current January 1980 agreement, which calls for a dollar-per-barrel increase." We have to remember this increased taxation here will cause an increase greater than a dollar-per-barrel. Of course, the government is supposed to be against it.

Let me read further: "If Canadian oil prices are allowed to rise substantially at any time, there must be a basic change in revenue flows and energy and economic policies to (a) achieve national oil self-sufficiency." How is this supposed to achieve national oil self-sufficiency, to use the words of the Premier? This taxation increase does not increase production, it does nothing of the sort.

I quote again from the speech, "(b) avert an unnecessary recession." If stopping a price increase in gasoline is supposed to avert an unnecessary recession, one can only assume that advocating an increase in taxation in gaso-

line will cause an unnecessary recession. Of course, this may be what will happen if the Treasurer does not withdraw this taxation.

I read again, "(c) avert undue hardship on the consumer." If this is not hardship on the consumer, I do not know how the consumers are supposed to feel comforted with this kind of an increase in taxation.

I have a lot more to say, Mr. Speaker. I am just wondering if it is not too close to one o'clock. Of course, I may continue *ad valorem*, to use the words that have been used here.

Hon F. S. Miller: *Ad infinitum, ad nauseam.*

Mr. Boudria: I do not believe speaking on behalf of my constituency constitutes anything that could be called *ad nauseam* as described by the Treasurer.

On motion by Mr. Boudria, the debate was adjourned.

The House adjourned at 1 p.m.

APPENDIX A

ANSWERS TO QUESTIONS ON NOTICE PAPER

BRUCE ENERGY CENTRE

93. Mr. Foulds: What was the total expenditure by Ontario Hydro, by the Ministry of Energy and by other ministries of government in connection with the press conference at the Bruce nuclear power plant that was held during the provincial election campaign, on March 4, in order to announce the Bruce Energy Centre? What is the estimated value of the time of the civil servants and Hydro officials who took time off normal duty in order to attend; what were their transportation costs to go to the press conference? In view of the participation at the press conference of candidates for the Progressive Conservative Party, is it the intention of the government or of Ontario Hydro to bill the Conservative Party for any of the expenditures in connection with the press conference, and if so, how much? (May 13, 1981.)

Hon. Mr. Welch: The launching of the Bruce Energy Centre on March 4, 1981, was a co-operative effort organized by the Bruce AgriPark Joint Venture Charter Members Committee, with the co-operation of the community relations staff of Ontario Hydro. Neither the Ministry of Energy nor any other ministry was involved in the announcement.

The Ontario Energy Corporation, which is a 26 per cent owner, has been engaged by the Bruce AgriPark Joint Venture to act as project manager in developing the Bruce Energy Centre. The Ontario Energy Corporation fulfils technical and administrative, as well as public relations functions, and it gets paid for services rendered. As an owner, it contributes its pro rata share to such budgets.

Reporting on this subject, the charter members committee indicates that events that draw attention to the progress of the Bruce Energy Centre are eagerly sought. It was in this context that the specific event on March 4, 1981, at the Bruce nuclear power development, was sponsored. As well, the decision to launch the energy centre was regarded by the charter members as a most important sign to highlight the significance of this development in the community. Elected officials and senior corporate executives who were present lent to the event the public recognition it deserves.

It is not the intention of the Bruce AgriPark Joint Venture, Ontario Hydro or the Ontario Energy Corporation to invoice anyone who attended the event at the Bruce, held on March 4, 1981.

UNIVERSITY FUNDING

94. Mr. Wildman: What is the view of the Minister of Colleges and Universities about the observation by former Sault Ste. Marie MPP Arthur Wishart (expressed in a CBC radio interview broadcast on April 15, 1981) that the Premier of Ontario (Mr. Davis) has his priorities all wrong to be denying adequate funds to secure the future of Algoma University College while committing public money to the King Mountain ski resort? Since the minister must assume responsibility for advising the Premier on university funding, what is her reaction to the former MPP's call in that interview for changes in the people who are advising the Premier? (May 15, 1981.)

Hon. Miss Stephenson: After the royal commission of inquiry in 1976 and 1977, my predecessor Dr. Harry Parrott, on January 13, 1978, announced the cabinet's decision that normal formula funding would be provided to the Algoma College Association for a further five-year period, to allow the college time to prove its viability, and that the Minister of Northern Affairs (Mr. Bernier) would allocate up to \$100,000 per year for the five-year period to assist the college.

Not only has that promise been fully carried out since then, but the Ministry of Colleges and Universities has augmented these sources of funding each year by a northern Ontario grant of approximately \$170,000. Taken together, these funds have provided the college with \$2,986 per student in 1978-79, \$3,929 in 1979-80, and \$4,275 in 1980-81. These figures are higher than per student grants normally provided under formula funding by 50, 86 and 87 per cent respectively for those three years.

Since the college has been receiving as much provincial funding as could be justified, it is not sensible to suggest that college funding and support for the King Mountain ski resort are competing priorities for public money.

MUNICIPAL GRANTS

96. Mr. Grande: Will the minister responsible produce the following information regarding the municipality of the borough of York:

any and all grants the borough received directly in the years 1978, 1979, 1980 and 1981, and the specific purpose for which the funds were generated? (May 20, 1981.)

Hon. Mr. Wells: The attached schedule indicates the extent of provincial grant entitlements for the years 1978, 1979 and 1980, and a projection of the entitlements for 1981.

Borough of York
Analysis of provincial grant payments 1978-81

(\$000)

Purpose	1978 Actual	1979 Actual	1980 Actual	1981 Estimates
Unconditional operating grants				
Per capita general	1,378	1,359	1,365	1,353
Per capita police	2,066	2,039	2,047	2,299
General support	1,136	1,293	1,412	1,537
Resource equalization	2,569	2,711	4,075	5,022
Special assistance	—	320	—	—
Subtotal	7,149	7,722	8,899	10,211
Conditional operating grants				
Youth employment	6	4	7	5
Roadways	854	980	1,096	985
Public health	375	494	577	686
Parks and recreation	16	17	18	18
Libraries	328	298	258	278
Cultural services	3	4	6	5
Planning and development	4	11	2	4
Subtotal	1,586	1,808	1,964	1,981
Conditional capital grants				
Roadways	384	277	450	440
Sewers	466	384	512	518
Parks and recreation	30	35	19	15
Subtotal	880	696	981	973
Aggregate provincial assistance	9,615	10,226	11,844	13,165

APPENDIX B*

ALPHABETICAL LIST OF MEMBERS

(125 members)

First Session of the Thirty-Second Parliament

Lieutenant Governor: Hon. John B. Aird, OC, QC

Speaker: Hon. John M. Turner

Clerk of the House: Roderick Lewis, QC

Andrewes, P. W. (Lincoln PC)

Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)

Baetz, Hon. R. C.; Minister of Culture and Recreation (Ottawa West PC)

*The lists in this appendix, brought up to date as necessary, are published in Hansard on the first Friday of each month and in the first and last issues of each session.

Barlow, W. W. (Cambridge PC)
Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
Bernier, Hon. L.; Minister of Northern Affairs (Kenora PC)
Birch, Hon. M.; Provincial Secretary for Social Development (Scarborough East PC)
Boudria, D. (Prescott-Russell L)
Bradley, J. J. (St. Catharines L)
Brandt, A. S. (Sarnia PC)
Breagh, M. J. (Oshawa NDP)
Breithaupt, J. R. (Kitchener L)
Bryden, M. H. (Beaches-Woodbine NDP)
Cassidy, M. (Ottawa Centre NDP)
Charlton, B. A. (Hamilton Mountain NDP)
Conway, S. G. (Renfrew North L)
Cooke, D. S. (Windsor-Riverside NDP)
Copps, S. M. (Hamilton Centre L)
Cousens, D. (York Centre PC)
Cunningham, E. G. (Wentworth North L)
Cureatz, S. L. (Durham East PC)
Davis, Hon. W. G.; Premier (Brampton PC)
Dean, G. H. (Wentworth PC)
Di Santo, O. (Downsview NDP)
Drea, Hon. F.; Minister of Community and Social Services (Scarborough Centre PC)
Eakins, J. F. (Victoria-Haliburton L)
Eaton, R. G. (Middlesex PC)
Edighoffer, H. A. (Perth L)
Elgie, Hon. R. G.; Minister of Labour (York East PC)
Elston, M. J. (Huron-Bruce L)
Epp, H. A. (Waterloo North L)
Eves, E. L. (Parry Sound PC)
Fish, S. A. (St. George PC)
Foulds, J. F. (Port Arthur NDP)
Gillies, P. A. (Brantford PC)
Gordon, J. K. (Sudbury PC)
Grande, T. (Oakwood NDP)
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)
Haggerty, R. (Erie L)
Harris, M. D. (Nipissing PC)
Havrot, E. M. (Timiskaming PC)
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)
Hennessy, M. (Fort William PC)
Hodgson, W. (York North PC)
Johnson, J. M. (Wellington-Dufferin-Peel PC)
Johnston, R. F. (Scarborough West NDP)
Jones, T. (Mississauga North PC)
Kells, M. C. (Humber PC)
Kennedy, R. D. (Mississauga South PC)
Kerr, G. A. (Burlington South PC)
Kerrio, V. G. (Niagara Falls L)
Kolyn, A. (Lakeshore PC)
Lane, J. G. (Algoma-Manitoulin PC)
Laughren, F. (Nickel Belt NDP)
Leluk, Hon. N. G.; Minister of Correctional Services (York West PC)

Lupusella, A. (Dovercourt NDP)
 MacDonald, D. C. (York South NDP)
 Mackenzie, R. W. (Hamilton East NDP)
 MacQuarrie, R. W. (Carleton East PC)
 Mancini, R. (Essex South L)
 Martel, E. W. (Sudbury East NDP)
McCaffrey, Hon. R. B.; Minister without Portfolio (Armourdale PC)
McCague, Hon. G. R.; Chairman, Management Board of Cabinet (Dufferin-Simcoe PC)
 McClellan, R. A. (Bellwoods NDP)
 McEwen, J. E. (Frontenac-Addington L)
 McGuigan, J. F. (Kent-Elgin L)
 McKessock, R. (Grey L)
 McLean, A. K. (Simcoe East PC)
McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)
 McNeil, R. K. (Elgin PC)
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Mitchell, R. C. (Carleton PC)
 Newman, B. (Windsor-Walkerville L)
 Nixon, R. F. (Brant-Oxford-Norfolk L)
Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
 O'Neil, H. P. (Quinte L)
 Peterson, D. R. (London Centre L)
 Philip, E. T. (Etobicoke NDP)
 Piché, R. L. (Cochrane North PC)
 Pollock, J. (Hastings-Peterborough PC)
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
Ramsay, Hon. R. H.; Provincial Secretary for Resources Development (Sault Ste. Marie PC)
 Reed, J. A. (Halton-Burlington L)
 Reid, T. P. (Rainy River L-Lab.)
 Renwick, J. A. (Riverdale NDP)
 Riddell, J. K. (Huron-Middlesex L)
 Robinson, A. M. (Scarborough-Ellesmere PC)
 Rotenberg, D. (Wilson Heights PC)
 Roy, A. J. (Ottawa East L)
 Runciman, R. W. (Leeds PC)
 Ruprecht, T. (Parkdale L)
 Ruston, R. F. (Essex North L)
 Samis, G. R. (Cornwall NDP)
 Sargent, E. C. (Grey-Bruce L)
 Scrivener, M. (St. David PC)
 Sheppard, H. N. (Northumberland PC)
 Shymko, Y. R. (High Park-Swansea PC)
 Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Spensieri, M. A. (Yorkview L)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
 (York Mills PC)
Sterling, Hon. N. W.; Minister without Portfolio (Carleton-Grenville PC)
 Stevenson, K. R. (Durham-York PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Swart, M. L. (Welland-Thorold NDP)
 Sweeney, J. (Kitchener-Wilmot L)
 Taylor, G. W. (Simcoe Centre PC)

Taylor, J. A. (Prince Edward-Lennox PC)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
 Treleaven, R. L. (Oxford PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
 Van Horne, R. G. (London North L)
 Villeneuve, O. F. (Stormont, Dundas and Glengarry PC)
Walker, Hon. G. W.; Provincial Secretary for Justice and Minister of Consumer and Commercial Relations (London South PC)
 Watson, A. N. (Chatham-Kent PC)
Welch, Hon. R. S.; Minister of Energy (Brock PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
 Wildman, B. (Algoma NDP)
 Williams, J. (Oriole PC)
Wiseman, Hon. D. J.; Minister of Government Services (Lanark PC)
 Worton, H. (Wellington South L)
 Wrye, W. M. (Windsor-Sandwich L)
 Yakabuski, P. J. (Renfrew South PC)

MEMBERS OF THE EXECUTIVE COUNCIL

Davis, Hon. W. G., Premier and President of the Council
 Welch, Hon. R. S., Minister of Energy and Deputy Premier
 Wells, Hon. T. L., Minister of Intergovernmental Affairs
 Bernier, Hon. L., Minister of Northern Affairs
 Snow, Hon. J. W., Minister of Transportation and Communications
 Birch, Hon. M., Provincial Secretary for Social Development
 Bennett, Hon. C. F., Minister of Housing
 Miller, Hon. F. S., Treasurer of Ontario and Minister of Economics
 Timbrell, Hon. D. R., Minister of Health
 Stephenson, Hon. B. M., Minister of Education and Minister of Colleges and Universities
 McMurtry, Hon. R. R., Attorney General and Solicitor General
 Henderson, Hon. L. C., Minister of Agriculture and Food
 Norton, Hon. K. C., Minister of the Environment
 Drea, Hon. F., Minister of Community and Social Services
 Grossman, Hon. L., Minister of Industry and Tourism
 McCague, Hon. G., Chairman of Management Board of Cabinet and Chairman of Cabinet
 Baetz, Hon. R. C., Minister of Culture and Recreation
 Wiseman, Hon. D. J., Minister of Government Services
 Elgie, Hon. R. G., Minister of Labour
 Walker, Hon. G. W., Provincial Secretary for Justice and Minister of Consumer and Commercial Relations
 Gregory, Hon. M. E. C., Minister without Portfolio
 Pope, Hon. A. W., Minister of Natural Resources
 Leluk, Hon. N. G., Minister of Correctional Services
 Ashe, Hon. G. L., Minister of Revenue
 Ramsay, Hon. R. H., Provincial Secretary for Resources Development
 McCaffrey, Hon. R. B., Minister without Portfolio
 Sterling, Hon. N. W., Minister without Portfolio

PARLIAMENTARY ASSISTANTS

Andrewes, P. W. (Lincoln), assistant to the Minister of Energy
 Brandt, A. S. (Sarnia), assistant to the Minister of Labour
 Dean, G. H. (Wentworth), assistant to the Minister of Education
 Eaton, R. G. (Middlesex), assistant to the Minister of Transportation and Communications
 Fish, S. A. (St. George), assistant to the Minister of Culture and Recreation
 Gillies, P. A. (Brantford), assistant to the Provincial Secretary for Social Development

Gordon, J. K. (Sudbury), assistant to the Minister of Health
 Hennessy, M. (Fort William), assistant to the Minister of Northern Affairs
 Hodgson, W. (York North), assistant to the Minister of Government Services
 Jones, T. (Mississauga North), assistant to the Treasurer of Ontario and Minister of Economics
 Kennedy, R. D. (Mississauga South), assistant to the Minister of Intergovernmental Affairs
 Lane, J. G. (Algoma-Manitoulin), assistant to the Minister of Industry and Tourism
 MacQuarrie, R. W. (Carleton East), assistant to the Solicitor General
 McNeil, R. K. (Elgin), assistant to the Minister of Agriculture and Food
 Mitchell, R. C. (Carleton), assistant to the Minister of Consumer and Commercial Relations
 Rotenberg, D. (Wilson Heights), assistant to the Minister of Housing
 Stevenson, K. R. (Durham-York), assistant to the Minister of the Environment
 Taylor, G. W. (Simcoe Centre), assistant to the Attorney General
 Watson, A. N. (Chatham-Kent), assistant to the Minister of Community and Social Services
 Williams, J. (Orillia), assistant to the Minister of Revenue
 Yakabuski, P. J. (Renfrew South), assistant to the Minister of Natural Resources

STANDING COMMITTEES

Administration of justice: Messrs. Andrewes, Bradley, Breithaupt, Elston, Gordon, MacQuarrie, Mitchell, Piché, Renwick, Swart, Treleaven and Williams; clerk, S. Forsyth.

General government: Messrs. Barlow, Brandt, Ms. Bryden, Ms. Copps, Messrs. Eves, Hennessy, Kells, McGuigan, McKessock, Runciman, Sheppard and Wildman; clerk, F. Nokes.

Resources development: Messrs. Eakins, Eaton, Harris, Havrot, J. M. Johnson, Kerrio, Lane, Laughren, McNeil, Riddell, Stevenson and Stokes; clerk, A. Richardson.

Social development: Mr. Dean, Ms. Fish, Messrs. Gillies, R. F. Johnston, Jones, Kennedy, Kolyn, McClellan, Ruprecht, Shymko, Sweeney and Van Horne; clerk, D. Arnott.

Members' services: Messrs. Boudria, Di Santo, Hodgson, Kerr, McLean, O'Neil, Robinson, Rotenberg, Ruston, Samis, G. W. Taylor and Watson; clerk, A. Richardson.

Procedural affairs: Messrs. Breaugh, Charlton, Edighoffer, Epp, Kerr, Mancini, McLean, Robinson, Rotenberg, G. W. Taylor, Watson and Hodgson; clerk, S. Forsyth.

Public accounts: Messrs. Cousens, Cunningham, Foulds, Peterson, Philip, Pollock, T. P. Reid, Sargent, Mrs. Scrivener, Messrs. J. A. Taylor, Villeneuve and Yakabuski; clerk, G. White.

Regulations and other statutory instruments: Messrs. Barlow, Brandt, Eves, Grande, Haggerty, Hennessy, Kells, MacDonald, McEwen, G. I. Miller, Runciman and Sheppard; clerk, D. Arnott.

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SPEAKERS IN THIS ISSUE

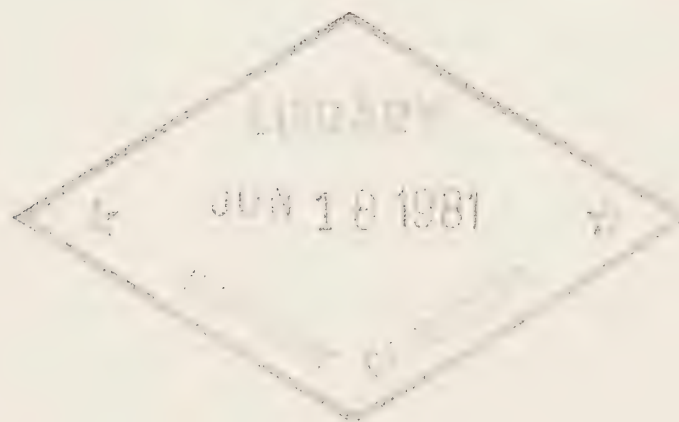
Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)	
Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)	
Boudria, D. (Prescott-Russell L)	
Breithaupt, J. R. (Kitchener L)	
Cassidy, M. (Ottawa Centre NDP)	
Cooke, D. S. (Windsor-Riverside NDP)	
Copps, S. M. (Hamilton Centre L)	
Cunningham, E. G. (Wentworth North L)	
Davis, Hon. W. G.; Premier (Brampton PC)	
Eakins, J. F. (Victoria-Haliburton L)	
Elgie, Hon. R. G.; Minister of Labour (York East PC)	
Foulds, J. F. (Port Arthur NDP)	
Grande, T. (Oakwood NDP)	
Gregory, Hon. M. E. C.; Minister without Portfolio (Mississauga East PC)	
Grossman, Hon. L. S.; Minister of Industry and Tourism (St. Andrew-St. Patrick PC)	
Havrot, E. M. (Timiskaming PC)	
Henderson, Hon. L. C.; Minister of Agriculture and Food (Lambton PC)	
Lane, J. G. (Algoma-Manitoulin PC)	
MacDonald, D. C. (York South NDP)	
Mancini, R. (Essex South L)	
McGuigan, J. F. (Kent-Elgin L)	
McMurtry, Hon. R. R.; Attorney General and Solicitor General (Eglinton PC)	
Miller, Hon. F. S.; Treasurer of Ontario and Minister of Economics (Muskoka PC)	
Nixon, R. F. (Brant-Oxford-Norfolk L)	
Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)	
Riddell, J. K. (Huron-Middlesex L)	
Runciman, R. W. (Leeds PC)	
Smith, S. L. (Hamilton West L)	
Swart, M. L. (Welland-Thorold NDP)	
Turner, Hon. J. M.; Speaker (Peterborough PC)	
Welch, Hon. R. S.; Minister of Energy (Brock PC)	
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)	
Wildman, B. (Algoma NDP)	
Wrye, W. M. (Windsor-Sandwich L)	



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Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, June 8, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 8, 1981

The House met at 2:02 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

TYPHOID CASE IN TORONTO JAIL

Hon. Mr. Leluk: Mr. Speaker, I wish to bring the House up to date on a medical situation that developed at one of our correctional institutions.

An inmate was admitted to Toronto Jail on April 26 and became ill on May 1. Two days later, on the recommendation of the jail's medical staff, this man was admitted to St. Michael's Hospital. He underwent testing, which resulted in the diagnosis that he had contracted typhoid fever. A second inmate who exhibited similar symptoms was admitted to hospital for observation and testing on May 6.

Immediately after the diagnosis of typhoid fever, action was taken on several fronts: first, to determine the source of the disease; second, to trace and test possible contacts with the patients; and third, to ensure preventive measures.

The most recent medical information is as follows. The patient who was confirmed as having typhoid fever and treated at hospital has now been discharged from the hospital and returned to the Toronto Jail. All the tests carried out on the second man were negative for typhoid fever, and he also has been released from hospital. Negative results have been received on the testing of 49 other persons at the jail, including correctional staff and inmates who may have had contact with the confirmed case, as well as food handlers and laundry workers. Tests and examinations have also been negative for those contacts tested in the community and in other correctional institutions, both provincial and federal.

All the information obtained would appear to support the statement by the medical officer of health for the city of Toronto on May 7 that, given the time element of the onset of this illness, it is most likely that this confirmed case of typhoid fever contracted the disease before he went into the jail.

I want to commend and thank all those

involved in the co-ordinated response to this situation. Excellent co-operation has been received from St. Michael's Hospital, the city's public health department and medical officer of health, our own Ministry of Health, and the administration, staff and inmates of the Toronto Jail. I would like to say a special word of thanks to Dr. Paul Humphries, the senior medical consultant in my ministry. Thanks to the collective actions and co-operation of these people and organizations, this situation was very well handled.

ORAL QUESTIONS

LAKE SIMCOE POLLUTION

Mr. Smith: I will direct a question, Mr. Speaker, to the Minister of the Environment (Mr. Norton) regarding the green slime that is destroying Lake Simcoe as a consequence of phosphorus pollution.

Is the minister aware there has been a negligible decrease, if any, in phosphorous going into the lake at this time, fully one year after the initiation of the minister's three-year program? Could he explain why so little action has taken place on the three major recommendations that have been made so that the government could meet its target for 1983? Can the minister in particular assure this House that the government's targets for 1983 will be met in 1983?

Hon. Mr. Norton: Mr. Speaker, I cannot at this point, because I have not had an opportunity since coming to this ministry to review the specific levels in terms of the abatement program in Lake Simcoe. I will take the honourable member's question as notice and attempt to have a detailed answer for him by tomorrow.

Mr. Smith: May I ask the minister whether he is aware of what the three recommendations involve?

First is the diversion of sewage from Aurora and Newmarket through the York-Durham line. Is he aware that in that instance the line will not be completed until at least 1984, a year later than the target date of 1983?

The second item suggested was to remove four tons of phosphorous by reducing soil erosion in the Holland Marsh area. Nothing has

been done on that.

The third item suggested was to remove eight tons by means of improved facilities in Barrie and Orillia. Whereas the former Minister of the Environment, Mr. Parrott, said over a year ago that cost-sharing meetings between the province and the cities of Barrie and Orillia would take place "within the next month"—that was May 1980—a year later no such meetings have occurred.

Can the minister tell us whether there is any serious commitment to save Lake Simcoe and what the status will be of all three projects by the end of this year?

Hon. Mr. Norton: As I understand it at the present time, the York-Durham link, which is proposed to reach Aurora and Newmarket, will be completed by late 1984 and will address that aspect of the problem.

Mr. Smith: One year late.

Hon. Mr. Norton: On the basis of information I have received I do not believe the original target can be achieved, but certainly the commitment is still there and it will be achieved by late 1984, as I understand it.

With regard to the situation in Barrie, it is my understanding a study is under way, financed by my ministry and utilizing the consultants to the municipality, to determine precisely what will be required to reduce the phosphorous loading from the present levels to the target levels. The completion date for that study, as I understand it, is this month. I have not received any specific information on it but that is the target date for completion of that study as it relates to Barrie.

As soon as that is completed, a similar study will be undertaken with respect to Orillia. When it is determined what specific measures are necessary in those communities to achieve the targets, the ministry will pay 50 per cent of the cost of the necessary steps to achieve that result. So the commitment is there at the present time.

I am sorry I do not have specific information on current levels of loading but I will see if I can get that for the member.

Mr. Smith: The minister has failed to mention that the four-ton improvement from the Holland Marsh is not even started. He has admitted the Aurora-Newmarket diversion is at least a year late. On the subject of the cities of Barrie and Orillia, is the minister not aware the study he is talking about is a pilot experiment using a mobile sand filter, and that the filter was late being delivered and, although it is working reasonably well, has not yet been tested in Orillia?

But the real problem is that unless the fund sharing is worked out in a way that is satisfactory, neither of those cities will be moving with any speed whatever. Whereas such discussions were promised over a year ago, they still have not started. Will the minister see to it that, apart from the study of this portable filter, there are discussions immediately on the principle of cost sharing between Barrie and Orillia on the one hand and Ontario on the other?

2:10 p.m.

Hon. Mr. Norton: Mr. Speaker, in terms of the discussions the honourable member refers to, it is my understanding that a meeting is scheduled for June 19 with the municipalities, which will be the first of a series of such meetings between my ministry and the affected municipalities. I would assume those concerns would be addressed at that time.

VAUGHAN LAND USE

Mr. Smith: Mr. Speaker, a question for the Minister of Agriculture and Food. The minister has now had the weekend in which to confer with his colleague the Minister of Housing (Mr. Bennett), to determine whether the Minister of Housing did, in fact, call the Minister of Agriculture and Food to send him out on what must surely have been an unusual mission, that is, to have his parliamentary assistant examine, for the possibility of removing objections, lands in Vaughan.

Has the minister now refreshed his memory as to whether he was called by the Minister of Housing, and thus started this peculiar series of events? Is there, let us say, a possibility that he was called by the parliamentary assistant to the Minister of Housing, the member for York North (Mr. Hodgson)? Is it possible he made the call? Has the minister had a chance to refresh his memory and will he now own up as to who called him to send him on this unusual mission?

Hon. Mr. Henderson: Mr. Speaker, I made it quite clear on Friday that I received a call from the Minister of Housing's office to my office. This resulted in my asking the member for Elgin (Mr. McNeil), my parliamentary assistant, to visit the site to see what the concerns might be. He is not here today, I do not think. I have not had a chance to talk to him this morning, but as I remember my conversation at that time—and I have tried to review it in my mind over the weekend—one drives west on the south side of the road and finds a very rough area of land.

Mr. Smith: I am asking about a phone call.

Hon. Mr. Henderson: I got a call from the Minister of Housing's office. Is that what the Leader of the Opposition wants to know? Yes, I got a call.

Mr. Smith: Since my question, by way of supplementary, is whether it is possible that the call was from the parliamentary assistant to the Minister of Housing, the member for York North, I would hope the minister, when he rises to answer this supplementary, might answer that, among other questions.

Interjection.

Mr. Smith: I have not finished my supplementary.

Hon. Mr. Henderson: I have already answered it. The member for York North was not in the minister's office.

Mr. Smith: I asked whether it might have been from the member for York North and the minister is not answering that. He says the call was from the office. Given that the minister originally said to the press it was from the Minister of Housing, and then he said to this House it was from that minister, and now it has become the office, I would like the minister to reflect on whether it might have been the parliamentary assistant. Can he tell us whether it was from him, whether it was from a man or a woman, and whether he knows anything about this mysterious caller who apparently was sufficiently important to send the minister out on a very unusual matter while it was being discussed in front of the Ontario Municipal Board.

Could he also tell us how it is that the second letter sent by the minister, the one that has to do with the lands of those clients represented by Mr. Webb, was deposited with the OMB by Davis and Webb and not by the Minister of Housing? Even though the original was sent by the Minister of Housing, and obviously a copy was sent by the minister to the firm of Davis and Webb, that copy was deposited five days after the minister signed the original. Can the minister explain why, and at whose request, he was sending a copy of a letter he wrote to the Minister of Housing to one of the lawyers involved in an OMB hearing, and whether he thinks it is reasonable, in the middle of an OMB hearing, to be writing letters of this kind?

Hon. Mr. Henderson: At the time of the second letter the member refers to, I was not aware there even was an OMB hearing on at that stage. I still do not know the date of the OMB hearing. My second letter just stated that the land was similar to the land we had already

commented on, and I had withdrawn my objection to that land. That was the letter to the Minister of Housing.

Mr. Smith: With a copy to Webb.

Hon. Mr. Henderson: With a copy to Webb. I believe Mr. Webb contacted someone, but I do not know whom.

Mr. Cassidy: Supplementary, Mr. Speaker: Perhaps since the minister gave instructions to his staff after this particular case that they were not to contravene statements or policies the minister happened to hold, and since we have a competent well-paid civil service in Ontario and civil servants who have professional standards to uphold, will the minister explain the exact meaning of his directive? Specifically, is he now instructing civil servants in his department to perjure themselves when going before agencies, boards or commissions in Ontario, if subpoenaed before those boards or commissions and asked to give their professional opinion, in the light of the minister's statement that they are not to say it if it disagrees with him?

Hon. Mr. Henderson: Mr. Speaker, on Friday I made it quite clear that any directives I gave were to the director of that branch. I told that director he would have to run his branch.

Mr. Smith: Mr. Speaker, might I redirect this supplementary to the Minister of Housing because it has to do with the other side of the same phone call and the Minister of Agriculture and Food has denied he knows who made the call.

Mr. Speaker: On a supplementary you cannot redirect, no. We decided that.

Mr. Smith: Who decided such a thing?

Mr. Speaker: I made that decision on an interim basis pending a decision from the procedural affairs committee.

Mr. Smith: All right. I will go back to ask the supplementary of the Minister of Agriculture and Food. We will find out later whether the Minister of Housing is willing to say who it is in his ministry who called in the middle of an OMB case.

Will the minister tell us whether the phone call he received that caused him to send the member for Elgin out to look at the land was from a man or a woman? Was even that something the minister was unable to distinguish over the telephone, although the call was apparently sufficiently clear that he would do something unprecedented in sending the member for Elgin out? Will he tell us whether it was a man or a woman who called?

Hon. Mr. Henderson: Mr. Speaker, I told the honourable member Friday that my file starts with the letter to the Minister of Housing. I have nothing previous to that; it is as simple as that.

ASSISTANCE TO FARMERS

Mr. Cassidy: Mr. Speaker, I have a new question to the Minister of Agriculture and Food about what this government is going to do for farmers who are being driven to the wall by interest rates.

Mr. Smith: You know who is to blame.

Mr. Speaker: Order.

Mr. Cassidy: Since the minister keeps trying to refer the credit problems of farmers to the federal government, could he explain why it is that Ontario is the only province that does not offer a long-term credit program?

Could he explain why it is that while Quebec has offered to provide credits worth \$17,000 for every farmer, Nova Scotia has provided credits worth \$11,700 for every farmer in that province, New Brunswick has provided provincial credits worth \$9,000 for every farmer, and Alberta has provided credits worth \$6,000 for every farmer in that province, Ontario has the lowest level of provincial assistance or credits to farmers of any province in the country and is providing only \$1,199 in provincial government credits per farm?

Why is Ontario lagging so badly and why has Ontario left its farmers almost totally without protection in terms of any provincial assistance to help them overcome the high cost of credit?

Hon. Mr. Henderson: Mr. Speaker, this honourable member is well aware that the government of Canada is the one that is responsible for the high interest that we have in all parts of our economy. He is well aware of it. I do not need to take up the time of this House restating it. What the other provinces are doing is their choice, but I would have to tell him—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Henderson: I would have to tell the House that what the other provinces are getting under the equalization grants as compared to Ontario is pretty shocking.

Interjections.

Mr. Speaker: Excuse me, please, Mr. Cassidy. I would just caution all members once more. It is very difficult for me to pay attention and hear the questions and the answers with private conversations going back and forth. I would ask

the members please to refrain and would refer them to the standing orders on the conduct of members.

Mr. Cassidy: Thank you, Mr. Speaker.

Supplementary: Since the minister admits it is the choice of each province as to the kind of credit arrangements it offers to its farmers, could the minister say why it is that Ontario has made such a choice that it is now the stingiest province of any in the country in terms of providing credit assistance? Why is it that Ontario stood by with no further credit assistance when farm bankruptcies went up last year, and went up again by 46 per cent in the first four months of this year?

Why is it that Ontario has stood aside while the farmers of this province are being driven out of business? Why is that Ontario has stood aside and has not even ensured that the money provided under the Ontario young farmer credit program and the money provided under the interest rate relief program last year was, in fact, made available to farmers? When is the government going to start to protect farmers rather than drive them to the wall?

2:20 p.m.

Hon. Mr. Henderson: The member is well aware that about 60 per cent of the budget we have for agriculture here in Ontario goes out in direct grants to farmers on the farm in forms that are different from those in the other provinces. So we have over \$100 million in direct grants to farmers.

Mr. Riddell: Supplementary, Mr. Speaker: Could the minister inform the assembly what programs the Premier (Mr. Davis) had in mind when he indicated to the farmers at the Ontario Federation of Agriculture meeting last Thursday that the province would likely render some kind of assistance, but perhaps on a selective basis; or what programs the Treasurer (Mr. F. S. Miller) had in mind when he told the farmers that something would have to be done within the next two or three weeks?

Could the minister inform this assembly what programs the government may have in mind so that indeed we can start answering the questions of the many farmers who are contacting us? Some of them were in my office this morning very disturbed and wondering what is going to happen to them.

Hon. Mr. Henderson: Mr. Speaker, perhaps the honourable member would be good enough to go to his colleagues in Ottawa and first get our stabilization program straightened out so that

we would know where we were. He supports his brethren in Ottawa in penalizing our Ontario farmers to the extent of \$7 million in the hog stabilization program. If we even look at beef stabilization, what is going to happen to them? That is what is worrying my stabilization commission. What is Ottawa going to do? I believe—

Mr. Riddell: What program did the minister or the Treasurer have in mind when he said two or three weeks' time?

Mr. Speaker: Order.

Hon. Mr. Henderson: Last Friday in this House I explained to the members that the federal Minister of Agriculture had met last Thursday with the hog producers—

Mr. Newman: Answer the question.

Hon. Mr. Henderson: Well, this is part of answering the question. The members opposite do not want to know the facts or they would not be standing there barking like a bunch of chippers.

Interjections.

Mr. Speaker: Order, please.

Hon. Mr. Henderson: Mr. Speaker, last Friday you will remember that I explained in this House—

Mr. Cassidy: The minister is evading any kind of answer because he has no answers at all.

Mr. Speaker: Order. Order, please. The specific question, as I understand it, was what programs had the Premier and the Treasurer in mind.

Hon. Mr. Henderson: Mr. Speaker, I am glad you straightened it out, because they certainly did not know what they asked. We will answer that question as soon as we can get a clearance from the federal government as to the penalties they are going to levy against us for anything we might do. It will be announced in the fullness of time.

Mr. MacDonald: Final supplementary, Mr. Speaker: The Minister of Agriculture and Food will be aware of the fact that as far back as two months ago the federation of agriculture made a specific number of proposals—workable proposals in their view—and prioritized them.

I have a two-part question. How can the minister go before the meeting, as he did last week, and have no response to that at all? And how can the Premier go before the meeting and lecture the federation on the need for making specific, workable, prioritized proposals when it has had those proposals for two months? What

is the government going to do about those specific proposals? And, as my specific supplementary along with that—

Interjections.

Mr. MacDonald: Yes, I like to deal in specifics. Since the minister is going to be freed of \$50 million on the farm tax rebate, more than a quarter of his budget, that \$50 million will presumably be available. He did not expend \$20 million of the \$25 million on interest subsidization that he allocated before the election and cut out after the election. On the Ontario young farmer credit program initiated in 1975, he has spent only \$8 million of the \$25 million in the intervening years. Is it possible he might free up that \$50 million, plus \$20 million, plus \$16 million or \$17 million—more than \$80 million—to come up with a program comparable to those of other provinces?

Hon. Mr. Henderson: Mr. Speaker, the honourable member is trying to mix apples and oranges. He knows full well that tax rebates do not take effect for another year. He knows the Treasurer's announcement starts January 1982. So that is \$54 million. He knows full well, as does the Leader of the Opposition, if there is any opposition, that there was no allegation of \$25 million for interest. He knows there were supplementary estimates for whatever the actual amounts were. He asked me three questions and I have answered two of them. What was the third one?

Mr. MacDonald: Two thirds of the money the minister set out in the program in 1975 for the so-called Ontario young farmer credit program has been spent in the six years since then. What about the other \$16 million or \$17 million?

Hon. Mr. Henderson: It is easy to understand the member does not recognize legislation when it goes through the House. The young farmer credit program is a guarantee of a loan; it is not actual dollars. My ministry had authority to guarantee up to \$25 million through the original project. It was not spent in any way, shape or form. It was a guarantee only.

Mr. MacDonald: An ineffective program.

Hon. Mr. Henderson: It is not ineffective. If he goes out and speaks with some of the farmers—

Mr. Speaker: That was not part of the question.

URANIUM PRICES

Mr. Cassidy: Mr. Speaker, I have a new

question for the Premier. He became aware of the uranium cartel for the first time last week, despite the fact that when his federal Conservative colleagues were in government they knew about it, despite the fact the Westinghouse cartel case began about five years ago and despite the fact the federal combines investigation branch has been investigating that uranium cartel for a number of years.

Since the Premier is now aware of the cartel and of the fact the cartel may be contributing to the \$50 million we are spending in excess payments for uranium every year, payments above the world price, would the Premier say whether Ontario is seeking access to the information collected by Mr. Robert Bertrand in the investigation by the combines investigation branch of the uranium cartel, and will the government now seek legal advice on ways of rescinding the contract with Rio Algom and Denison Mines so we can get back some of the \$50 million we are being overcharged every year for uranium in Ontario?

Hon. Mr. Davis: Mr. Speaker, I think the leader of the New Democratic Party is making some personal judgements that are questionable. My recollection is that when he raised this question on Thursday or Friday—some days after the member for Grey-Bruce (Mr. Sargent) raised the question, incidentally—I observed I was not aware of that, nor am I at this moment aware of that. I have not seen any report. I have only seen what I have read in the press. I said that on Thursday or Friday of last week and I do not know any more today than I did then.

Mr. Cassidy: The Premier is aware that the existence of the cartel has been acknowledged in the courts. It has now been acknowledged because of the investigations by the combines investigation branch. Whether or not the cartel acted illegally is something that has not yet been established in the courts.

Would the Premier explain to the House why, when \$50 million per year in payments by the consumers of Ontario Hydro is going down the drain in excess charges for uranium, or charges that may possibly be in excess, he is trying to wash his hands of the problem, saying it is not a reality and he is not prepared to have any action taken by the government to see whether we cannot get the money back for the people of the province?

2:30 p.m.

Hon. Mr. Davis: Mr. Speaker, I have never said in this House that I washed my hands of any problem.

Mr. Peterson: Supplementary, Mr. Speaker: Recognizing the Premier's knowledge of this matter is limited to what he reads in the newspaper, does he not feel some obligation to inform himself of all the details, particularly with all the investigations going on about that matter at this time and the potential jeopardy he has put the consumers of Ontario into—if not the Premier himself, then Ontario Hydro—as a function of these contracts? Why would he not feel a very strong obligation to inform himself, and to make sure the consumers of Ontario Hydro are being well served in the circumstances?

Hon. Mr. Davis: Mr. Speaker, I think the honourable member perhaps misunderstood my answer to the question. I made it quite clear I am not privy to any reports from the combines investigation branch. I have had no communication nor have I been consulted by any federal ministry or minister, including the member's brother. I have to tell the member that this government does not have access, it does not involve itself and it is not our area of jurisdiction, with respect to combines investigation.

Mr. Cassidy: Mr. Speaker, since the existence of the cartel was reported in the press long before the recent information about the federal investigation—

Interjections.

Mr. Speaker: Order.

Mr. Cassidy: Since the existence of the cartel has been reported in the press over a number of years and not just in the last few weeks, will the Premier say whether the rest of the government and Ontario Hydro have been as ignorant of the existence and possible impact of the cartel on the uranium prices that Ontario is paying through Ontario Hydro as the Premier says he is himself? If there has been no effort by the Ministry of Energy or by Ontario Hydro to find out whether the cartel was working against the financial interests of hydro consumers in Ontario, can the Premier say what kind of stewardship that is on behalf of the people of the province, when neither the government nor Ontario Hydro was prepared even to make investigations to see whether the people in this province were being overcharged by millions of dollars for uranium?

Hon. Mr. Davis: My recollection is the select committee had some very real opportunity to discuss this whole issue. I answered this in reply

to the honourable member last week, that the committee in its wisdom, for whatever reasons, accepted the judgement that it was a good contract on the part of Ontario Hydro.

Mr. MacDonald: No, they didn't.

Mr. Smith: Let's get that straight. We all said it was a bad contract.

Mr. Speaker: Order.

POLICE COMMISSIONS

Mr. Worton: A question of the Solicitor General, Mr. Speaker: The minister will recall our discussions of some 18 months ago in regard to the establishment of five-person police commissions. In view of the fact that he has had a resolution from the city of Sarnia, the city of Guelph and other municipalities, what position is he taking on the establishment of such a five-person commission and when can we expect it to be implemented?

Hon. Mr. McMurtry: Mr. Speaker, I should say at the outset that I am not unsympathetic to the suggestions and requests made by a number of municipalities for an increase to five-person police commissions. The Police Act is being looked at with respect to a thorough review for legislation in the fall. I do not think there is any question but that there are many aspects of the Police Act that require review and we are at present engaged in this purpose.

If we are not ready to introduce significant omnibus amendments to the Police Act in the fall, then I can give the honourable member assurance that we will look very seriously at introducing limited amendments that might accomplish the purposes he has outlined, which we have discussed in the past.

Mr. Worton: Can the Solicitor General monitor the three-person police commissions now to determine where there is considerable absenteeism by members and perhaps appoint other persons to those particular positions—and I suppose, specifically, a person with a legal background? I understand the comment of our local mayor was, "The situation is that in many cases a judge is tied up with a case and cannot attend the meeting." From my experience on the commission, I think it is important that we do have a person with a legal background.

Can the minister monitor these commissions where there is considerable absenteeism and appoint somebody to take the place of the person who is absent?

Hon. Mr. McMurtry: The Ministry of the Solicitor General does attempt to monitor this

situation. From time to time we do suggest resignation to individuals who find they do not have the time they would like to dedicate to their responsibilities in this respect. We will continue to do that, because we recognize frequent absenteeism on the part of any one member can be a problem for three-person police commissions.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Swart: Mr. Speaker, my question is to the Minister of Health. I presume the minister is aware of the snowballing concern of Ontario citizens who live in homes with urea-formaldehyde foam insulation and the hundreds of true health horror stories that are being told by these people.

If I may, I want to send to the minister a statement by Mrs. W. Feldberg of 111 Christina Crescent, Pickering, which lists extreme symptoms she and her husband have observed. He developed respiratory problems to the point where he coughed up blood and was admitted to hospital. The statement is accompanied by doctors' letters indicating this was caused by formaldehyde gas.

Serious as these symptoms are, is the minister aware that the United States Consumer Product Safety Commission recommended a ban, "primarily because of the carcinogenic properties" of the urea-formaldehyde foam insulation?

With all this overwhelming evidence, why does the minister refuse to identify the problem or to order tests of urea-formaldehyde foam insulation homes in this province, to say nothing of issuing health instructions on this matter to the people who have this problem?

Hon. Mr. Timbrell: Mr. Speaker, it amazes me the honourable member has totally ignored all that has been said on this subject in this chamber during the last month. The fact of the matter is that information has been transmitted to the health unit.

From some of the statements attributed to him and the things I have heard in this chamber, I do not think the member has ever read this report. The report points out that they are not able to identify a level at which they can say this substance is or is not a hazard. They go on to point out that, because they could not pinpoint a level, they recommend it be permanently banned after it had been temporarily banned last December.

We are pleased to note the federal government is finally going to act, after more than a

month's pressure from our government. Last Wednesday in the House of Commons, the Minister of Consumer and Corporate Affairs was asked, I believe by the member for Vancouver East, Mrs. Mitchell—after a series of questions and attempted motions over the previous couple of weeks by the member the Honourable Mr. Crombie, the Honourable Mr. McGrath and Mr. Lewis, the member for Simcoe North—and finally said the government had set up an interdepartmental committee and would be considering certain specific measures at this Thursday's meeting of the cabinet.

This is what we have been pressing them to do. That is where the responsibility is. We have said repeatedly we would do everything we could to assist them by making the resources of the provincial ministries and the local health units available. But we have also said they must accept their responsibility; they must accept the recommendations of their own expert advisory group—which report I again ask the member to read—and set up a program to identify where there is a problem and to rectify any problem specifically identified.

I am not concerned about what any American group may have or have not advised. At this point even the expert medical advisory committee of Canada was not able to advise a specific level at which it becomes a problem. They also went on to point out that in those cases where there may be a problem, it probably relates to the method of installation. Without the completion of the survey that the federal government has apparently undertaken, and without having a program they are apparently considering for retrofitting any problem homes, we cannot really get to the bottom of it.

2:40 p.m.

Mr. Swart: Perhaps I can ask the minister himself to read that report and put the correct interpretation on it, because in an answer he previously gave to the House on this matter he came close—and I use the word “close”—to giving a dishonest answer.

I quote from Hansard of May 19, in which he quoted, “‘The committee is unable to identify formaldehyde as posing a significant acute threat to life, as concentrations to which people are ordinarily exposed are small and the effect treatable.’”

Surely, if the minister read the report, he must recognize it was not talking about UFFI at all. It was referring to the normal amount of formaldehyde in the air—

Mr. Speaker: Your question, Mr. Swart.

Mr. Swart: In fact, what the committee said was that it was therefore not prepared to recommend any level of formaldehyde exposure as inherently safe.

Will the minister correct his statement to this House, and will he give some indication of what kind of report is likely to come out on Thursday? My information is that all that is going to be announced at that time is a board of review to see whether the ban on urea-formaldehyde should continue; it has nothing to do with solving the problems of the people of this province.

Hon. Mr. Timbrell: Mr. Speaker, you can judge for yourself, if you want to read the report and look at my answers, as to whether I came close—I love the choice of words that people such as the member use—to a dishonest answer.

The fact is, and I said it again today, the report was not able to establish whether urea-formaldehyde is or is not a hazard at any particular point and, because of that, a permanent ban was recommended. The member might look at page six of the report. It goes on to say, “Such findings point to an undetermined risk of carcinogenesis, requiring ongoing study of carcinogenic processes in these animal models and reappraisal of human epidemiological data.”

Mr. McClellan: That's not quite the same thing.

Hon. Mr. Timbrell: Read the whole report.

Mr. Swart: You picked out the best.

Hon. Mr. Timbrell: I read every single word. The member just chooses words for his own political purposes.

Mr. Speaker: Order.

Hon. Mr. Timbrell: The honourable member asks if I know what they are going to come out of cabinet with this Thursday. The fact of the matter is, we know there are two Socialist parties in Canada, the Liberals and the NDP, and the member is probably closer to them. No, we do not know. We are pressing them to accept their responsibilities and to follow the recommendations of the expert medical advisory committee.

Mr. Sweeney: Supplementary, Mr. Speaker: Given the fact that there are people in this province who are moving out of their homes—as a matter of fact, in Kitchener there are two families living in their backyards in tents because of fear of this—and given the fact that it is the minister's responsibility as Minister of Health of the province, regardless of who is responsible

for having put the stuff in and whether it was put in correctly, and regardless of who is responsible for banning it—that is not the point—he is responsible for initiating a program whenever the health of the citizens of this province appears to be in jeopardy.

The minister simply cannot stand aside. If people are living in those homes and we are getting those reactions, where people are moving out of their homes, what is he, as Minister of Health, going to do?

Hon. Mr. Timbrell: In point of fact, Mr. Speaker, the program exists. It has existed for more than a century. It is called the public health system of Ontario. Every health unit in this province was notified very early on of the issue and of the availability of technical assistance. Every health unit is responding to citizens' complaints. I acknowledged very early on that because of the way the report was handled by the federal government, just being dumped on the public, it left a lot of people scared.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: We simply do not have the resources to do thousands of homes overnight. But the health units have been doing a very good job in responding to the specific complaints and concerns as quickly and efficaciously as possible.

ST. PETER'S HOSPITAL EMPLOYEES

Ms. Copps: A question to the Minister of Labour, Mr. Speaker: Is the minister aware that 20 employees who are members of the Canadian Union of Public Employees were scheduled to appear on contempt charges in the Ontario Supreme Court today and, of those employees, 10 per cent come from a small Hamilton chronic care hospital?

If he is aware, does the minister feel that Hamilton workers are less law-abiding than other workers in Ontario? Does he not wonder why the percentage of those charged from St. Peter's Hospital is unusually high?

Hon. Mr. Elgie: Mr. Speaker, with the greatest of respect, the Ministry of Labour has nothing to do with decisions by the police to lay charges.

Ms. Copps: Is the minister aware that not only are a large number of employees from St. Peter's Hospital facing contempt charges, but also three have not yet been reinstated and are still in the category of "fired"? Is he aware that employee morale at St. Peter's Hospital is

extremely low, and will he order an immediate investigation into employee-employer relations at that hospital?

Hon. Mr. Elgie: As I have said on many occasions, I am well aware that there are some suspensions and discharges that still have not been resolved. I have pointed out on many occasions that a special advisory committee has helped to resolve suspensions in approximately 28 of the hospitals and that other efforts are ongoing at other hospitals. I have also indicated discharges can now be dealt with rapidly under the new grievance arbitration procedure in this province, and it is working.

K MART EXECUTIVES

Mr. Renwick: Mr. Speaker, in regard to the last question from the member for Hamilton Centre, I have a question for the Attorney General. I hope the Minister of Labour will listen.

On March 8, 1979, Jean-Claude Parrot, the head of the Canadian Union of Postal Workers, at the urging of the minister's agent, the crown attorney, was sentenced to jail for breach of an act of the Parliament of Canada. In the same year, Sean O'Flynn, the head of the Ontario Public Service Employees Union, at the urging of the minister's agent, the crown attorney, was sentenced to jail for breach of an act of this Legislature.

On June 2, 1981, his agent, Crown Attorney Steven Sherriff, stated he would not oppose conditional discharges and community service orders for Michael Clarke, Max Seunik and Verne Jenkins, whom he euphemistically referred to as "three misguided executives of K mart," after they pleaded guilty of conspiring in 1975 with a private investigator, Daniel McGarry, owner of the now-defunct Centurion Investigation Limited, to thwart the organization of a union at the K mart distribution and warehouse centre in Bramalea by a planned contravention of the Ontario Labour Relations Act.

The evidence established that K mart spent more than \$167,000 to plant 16 undercover operators, hired by Centurion to gather information about the union's organizing efforts, to find out the names of the activists advocating slowdowns and eventually taking part in a certification vote in September 1975, voting against the union and thwarting the certification.

What gives? Where is the justice? Is there one justice in his ministry for management and its executives and another justice for labour lead-

ers, or is this simply another starkly revealed example of the consequences of the unacceptable gamesmanship practice of plea bargaining?

Hon. Mr. McMurtry: Mr. Speaker, I can assure the member for Riverdale that there is no different standard of justice when it comes to either management or labour that happens to be caught up in the criminal justice system. I am not aware of the details of the prosecution against the executives of K mart. I was not aware these gentlemen had even been prosecuted until the honourable member brought it to my attention.

I will review the matter with the crown law office and will report to the Legislature why the crown counsel in those circumstances recommended that disposition to the court.

Mr. Renwick: Will the minister instruct Crown Attorney Steven Sherriff to request the court to listen to further submissions from him about the obvious injustice of the position taken by the crown attorney in relation to past events related to breaches of the acts of the Parliament of Canada and of this assembly?

2:50 p.m.

Hon. Mr. McMurtry: I am not sure I understand the thrust of the question. I assume by the question that the matter is still before the courts.

Mr. Renwick: To the best of my knowledge, it may not yet have been concluded. There is still a possibility of further submissions being made by the Attorney General's agent.

Hon. Mr. McMurtry: All I can say is that I will review the matter with the crown law office and take what steps I deem appropriate having become informed of all the circumstances. I do not think the honourable member would seriously suggest that the Attorney General would act otherwise.

Mr. Cassidy: You hound labour and treat the executives like angels.

Mr. Speaker: Order.

RENTAL HOUSING

Mr. Ruprecht: Mr. Speaker, I have a question of the Minister of Housing. The minister has predicted that the Ontario rental construction loan program would stimulate construction of up to 15,000 new rental units this year, half of which, he told us the last time, are to be built in the Metropolitan Toronto area. Can the minister tell the House how many units have now been fully approved within the municipality of Metropolitan Toronto?

Hon. Mr. Bennett: Mr. Speaker, I will be glad to get the exact figures as of today and to report back to the House tomorrow.

Mr. Ruprecht: I can tell the minister in a supplementary, Mr. Speaker.

Mr. Speaker: You are not supposed to give answers; you are supposed to ask questions.

Mr. Ruprecht: It is a question, Mr. Speaker. The minister must be aware that not one unit has been fully approved in the Metropolitan Toronto area, where a rental vacancy rate of less than one per cent—to be precise, 0.4 per cent—means we must have new rental supply. Will the minister not agree that the program is totally ineffective in Metro? Will he tell the House what he is going to do about this?

Hon. Mr. Bennett: First of all, a week ago I answered the leader of the third party's question, which was basically along the same line, as to the number of units that we happen to have made available to the development industry in the province through the Ontario rental construction loan program. I said very clearly—

Mr. Smith: What about Metro?

Hon. Mr. Bennett: I am coming to Metro; the honourable member should be patient and wait. I believe there is more to this province than just Metro. Let me give that assurance to the Leader of the Opposition. I still say there is more to this province than just Metro.

Mr. Cassidy: Heat it up! Heat it up!

Mr. McClellan: Faster! Faster!

Mr. Speaker: Order.

Hon. Mr. Bennett: Very clearly at this moment we have—I said last week and I will repeat it—in excess of 18,000 applications from across the province. We have in excess of roughly 13,000 units that have been approved by the Ontario Mortgage Corporation for loans to specific developers in many communities across Ontario. We have another 2,000 or 3,000 that are still waiting for review by the Ontario Mortgage Corporation.

I appreciate the fact that Mr. Richard Shiff, the president and chairman of Bramalea Limited, is again quoted in today's Toronto Star. I guess it is well that we do have people like Mr. Shiff who continue to remind the public that there are some difficulties with interest rates even in the Ontario rental construction loan program. I said last week that we will be reviewing the situation. At the time we brought the \$4,200 loan program into being it was a very

well thought-out program by our ministry, and indeed was accepted by the lending institutions and the development industry.

To this date there have been 424 units that have been rejected in various parts of Ontario. In most cases it was because they could not reach agreement with the Ontario Mortgage Corporation on the amount of rent that would be charged in the initial year. There was a difference; the developer thought that he was entitled to a higher rent factor than the mortgage corporation was prepared to entertain. As a result, there are 424 units out of something like 13,000 that have been withdrawn at this moment.

I will say very clearly that there are others who have asked for a further period of time to review the economics of their projects and, indeed, to try to work out some of the site plan approvals and building permits that are required to commence with those projects.

Mr. Cassidy: Supplementary, Mr. Speaker: Will the minister tell the House two things? First, can he give a sound prediction of how many houses or apartments will be commenced this year under the program? Second, will he tell the House, since the program was announced as long ago as four and a half months ago, how many units have actually been begun and in how many cases shovels have been put in the ground for this program? In other words, is the program real or was it simply a device to help get the Conservative government re-elected?

Hon. Mr. Bennett: No, Mr. Speaker, it was real. Bramalea has already started to develop and build some of the units in the Brampton area. Others are under construction. Some in the Scarborough area are under construction. I suggest that the member for Parkdale may want to review the situation.

It is simple for us to sit here and ask how many are under construction. I have indicated very clearly that a number of projects have been approved and in some cases must now secure building permits from municipalities. I am prepared to get the exact number of figures. It is simple for the members opposite to sit over there and snap their fingers and ask how many. It is a matter of our going into the field and securing the actual information on construction.

There are definitely some under way. I will not hide the fact—and I reiterate this to the leader of the third party, if he will listen for a moment—that there will have to be some improvements in the program we introduced

back in January or February. There is no doubt about it. The Treasurer (Mr. F. S. Miller) and I have already had some discussions on it.

It is great to sit over there and think we are not at least recognizing the fact that the federal government is allowing interest rates to climb to some unrealistic level—not this government, but the federal government. When we first started going at the mortgage program, those rates were around 14.5 to 15 per cent. The friends of the Leader of the Opposition (Mr. Smith) in the Liberal government in Ottawa have allowed the interest rate to escalate completely out of all proportion to a home owner's opportunity and for the development industry.

Frankly, without any assistance from our friends in Ottawa—Mr. Cosgrove completely refuses to participate in trying to develop any kind of program that will deliver either ownership or rental accommodations in this community or in any other part of the province or Canada—we are going to try to improve our program to afford the opportunity for at least 15,000 rental units to be in position within the next year to year and a half.

CANADA'S WONDERLAND

Mr. Mackenzie: Mr. Speaker, I have a question for the Premier.

In view of the Premier's remarks at the opening of Canada's Wonderland, as reported by the *Globe and Mail*, that this was a "great day for Ontario and one of the things which brings us together as Canadians," will he intercede with the Taft Corporation of Cincinnati, the owner of Canada's Wonderland, which was built with some 60 per cent Canadian funds, to reverse that company's refusal to carry on any further talks whatsoever with the unions that would represent some of the workers, including the International Alliance of Theatrical Stage Employees and Moving Picture Operators, the American Federation of Musicians, Canadian Actors' Equity Association, and the National Association of Broadcast Employees and Technicians—an action that clearly antagonizes and divides Canadians?

Hon. Mr. Davis: Mr. Speaker, I think that question might be directed more properly to the Minister of Labour (Mr. Elgie). I do recall making those comments when I was at Canada's Wonderland, where I saw people other than myself, and I would make the same observation: I think it is a great facility. I am not one who uses the roller coaster and things of that kind, but I will discuss this with the Minister of Labour.

Mr. Mackenzie: I do not think it is a laughing matter. Does the Premier still believe that the actions of this company in refusing to pay decent wages or even to discuss the matter with any of the unions involved are compatible with the right of workers to organize in Ontario? Is this, as he stated, something to be proud of?

Hon. Mr. Davis: The honourable member is taking my statements in one context and trying to apply them to another, which I think is just a little bit unfair but not unusual. I agree that it is no laughing matter, and it was his own colleagues on the front benches who were laughing.

HYDROGEN AS FUEL

Mr. Kolyn: Mr. Speaker, I wish to ask a question of the Minister of Energy. His ministry has announced that the Urban Transportation Development Corporation will be getting \$6.2 million to develop hydrogen storage and fuel systems. UTDC will produce two prototype urban buses fuelled by hydrogen. Since storage is one of hydrogen's greatest problems, will any consideration be given to a prototype train locomotive?

Hon. Mr. Welch: Mr. Speaker, as the honourable member knows, some initiatives in this regard were mentioned in the speech from the throne. Included in that particular address by the Lieutenant Governor was reference to the institute for hydrogen systems. I certainly feel that, as part of the evolution in the development of hydrogen research, that aspect ultimately will be given very serious consideration.

Mr. Newman: Supplementary, Mr. Speaker: Has the minister looked into the Billings Institute in Provo, Utah, which has developed magnesium hydride as the fuel for propelling hydrogen-driven vehicles?

Hon. Mr. Welch: Yes, Mr. Speaker.

3 p.m.

DISCIPLINE IN SCHOOLS

Mr. Bradley: Mr. Speaker, I have a question for the Minister of Education concerning discipline in the schools in Ontario.

Does the minister agree with the Attorney General (Mr. McMurtry), who is reported to have said he agreed with the federal plans to remove possession of marijuana from the Narcotics Control Act, which carries a criminal record upon conviction, and from the Food and Drug Act? Does she agree with this in the light

of the fact that the Ontario Secondary School Headmasters' Council has made strong recommendations against that movement?

Hon. Miss Stephenson: Yes, Mr. Speaker, I am aware that the Attorney General has met very recently with the headmasters' council to discuss this matter. Perhaps it would be more appropriate if this former school teacher, who perhaps has some real concern about discipline—there should be some within his caucus at any rate—were to redirect that question to the Attorney General.

Hon. Mr. McMurtry: Mr. Speaker, I think the member is a little confused. The headmasters' council has said on more than one occasion that it is very supportive of the position taken by the province in relation to this. I think there is general agreement that we do not want to saddle individuals, particularly young people because they are most often affected, with criminal records.

But, on the other hand, we believe strongly that simple possession, as it is often referred to, should still be treated as an offence but not one that leaves one with a criminal record perhaps for the rest of his life.

The federal proposals were originally along the line of some sort of ticketing where there would be no appearance in court; it would be something similar to paying a traffic ticket. We and the headmasters' council indicated our concern about that, and the federal government rethought that aspect of the proposals.

There are ongoing discussions at present between the federal government and all provinces with respect to maximum penalties and to records that might be kept for repeated offenders that would not be criminal records as such. In all of these matters the headmasters' council has been kept well informed of our participation. Having met with them as recently as this morning, quite by coincidence, I can say they are very supportive of what we are trying to accomplish in the interests of everyone. So I think the honourable member may be a little confused about just what the present state of affairs is.

Mr. Bradley: I have a supplementary question for the Minister of Education. My understanding of the position of the Ontario Secondary School Headmasters' Council is not precisely as the Attorney General has stated it. They have been on record as opposing this movement, albeit there have been discussions with the Attorney General. The government is apparently ignoring their advice on that issue.

In view of the fact that the Minister of Education has recommended the removal of the strap as one of the ultimate methods of disciplining students in the elementary school system, contrary to the recommendation of elementary school principals, can she tell the House what new initiatives she has planned to destroy discipline in the schools of Ontario?

Hon. Miss Stephenson: That is the most illogical question I have ever heard in my life. It does not deserve an answer. But if the honourable member, who was a school teacher, believes that beating children is the way to discipline them, then I am glad he is no longer a school teacher.

ABORIGINAL RIGHTS

Mr. Stokes: Mr. Speaker, I have a question for the Minister of Natural Resources. In view of the meeting last week that the minister and some of his colleagues had with the four grand council chiefs, will the minister place an immediate moratorium on charging of Indian people for violations of hunting, fishing and gathering? Second, will he have a review of all outstanding charges against those native people? Third, will the Ontario government recognize and respect the treaty and aboriginal rights of our first citizens to hunt and to fish? Fourth, for the sake of conservation, will the minister start negotiating with the native people for co-management of our fish and game resources in Ontario?

Hon. Mr. Pope: First of all, Mr. Speaker, I would like to state that there has not been increased harassment of our native people by the Ministry of Natural Resources this year.

Mr. Laughren: Oh no?

Hon. Mr. Pope: No, there has not. In all of last year, 67 native people were charged with offences under the hunting and fishing regulations in place in Ontario, and from January to May of this year, 21 native people have been charged. So there has not been increased harassment at all. I reject that categorically.

Second, this matter of the hunting and fishing of native people and the policies of the government of Ontario has been fully documented time and time again by my predecessor, the Honourable James Auld, who tried to suggest at two different times two different compromises to the situation. He outlined to this Legislature on October 21, 1980, what his position was with respect to a proposed amendment to the Game and Fish Act, Bill 59. In actuality, he was replying to the concerns of the member for

Riverdale (Mr. Renwick). In that address to the Legislature he stated the situation as the government perceived it to be in terms of the aboriginal rights and the treaty rights for our native people in both northern Ontario and southern Ontario.

I will not reiterate all that today but say again that it was October 21, 1980, on which he made that statement and it is in Hansard. He referred to a policy of leniency, about which he made a statement on June 18, 1980, and prior to that he had communicated with the native people directly on May 10, 1979, indicating how we did recognize treaty rights with respect to hunting and fishing for personal consumption. Of course, he did not recognize treaty rights to hunt and fish for commercial operation.

He did set out a policy of leniency that he wanted to apply and that he had instructed as a policy guideline for his Ministry of Natural Resources officers. He did implement a policy of leniency, which has been followed. He communicated that policy to the various native peoples' organizations in this province. He has been, I might add, criticized by the Ontario Federation of Anglers and Hunters for that policy. They indicated in a letter of December 1980 to the minister that they thought all inhabitants of Ontario should have to obey all laws.

We have attempted to continue to implement this policy of leniency. We have attempted in various specific situations to work with the chiefs and inhabitants of reserves to give them licences that will meet their needs, including the right to market fish commercially. We have attempted on specific occasions to get into voluntary reporting arrangements; they have failed. With respect to charges, we have attempted in a couple of instances to negotiate, and have been negotiating, with the chiefs of a couple of bands to clean up the underlying problems that led to the laying of those charges. We think, in one or two circumstances, we are on the verge of settling those matters.

We believe we do have something in common. We both share an ethic for conserving our fish and game in Ontario. We are both interested in establishing some objectives based on some form of data to implement that ethic. We are also looking for a way of policing that. I have asked in three different meetings with the grand council of Treaty 9, with the organization we met last Thursday, and prior to that with the Cape Croker band, for some indication as to whether they accepted our statistics, because

we have studies showing that Shoal Lake and Lake of the Woods are in very severe danger because of overfishing.

We have asked whether they accept our statistics, and if they do not, what information they have available to give us to help us establish goals for conservation. We have asked for an indication from them on how they think these goals should be administered and specifically how band members can be policed.

I think this is a positive basis upon which the native people of our province and the government can build. If we can set aside all the preconditions and all the hangups and get to the common beliefs we share, we can bring about some common goals, some common limitations on catch and kill, and get together on the administration of a system that will meet the requirements of not only the native peoples but all the people of the province.

3:10 p.m.

Mr. Stokes: Probably my final supplementary, but it is only the first one: Call it harassment or whatever, but is the minister aware that his conservation officers are going on to reserves in northern Ontario and have charged a single parent, a woman who heads a family of native people, who went out and harvested 60 pounds of fish so she could convert them into dollars to feed her family?

Is the minister saying that is not an appropriate use of the resources that are indigenous to that particular reserve to help those people become independent and provide the basic needs? Is the minister aware his conservation officers are actually doing that? Is he saying in his answer that the fishing resources that are indigenous to a particular area are not to be used for the financial and economic wellbeing of our first citizens?

Hon. Mr. Pope: Mr. Speaker, to the last part of the question I can only answer that the policy of this government is a policy that has been enunciated on many occasions by my predecessor.

Second, I am not aware of the specific case the member is alluding to today. He previously asked a question about a similar concern with respect to the practices of the personnel of the Minister of Natural Resources with respect to an incident on Lobstick Bay on Lake of the Woods on May 7, 1981. I don't want to deal with specific cases because it may not be fair, but I can say in that situation the fact of the matter is that a statement given at the time indicated not

only who this native person was selling his catch to, but the price he was getting for it. There is no doubt there was a commercial operation going on.

We can't adopt a hands-off policy with respect to the fishing stock of northern Ontario. We have to be concerned about conservation and we know that our concerns are shared by the native peoples' organization. That is why we have to look for some way of policing that system.

Mr. Speaker: Petitions.

Presenting reports.

Motions.

Introduction of bills.

Orders of the day.

MOTION TO SUSPEND NORMAL BUSINESS

Mr. Swart moved, seconded by Mr. Cassidy, pursuant to standing order 34, that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, the serious health and economic problems faced by Ontario residents whose homes have been insulated with urea-formaldehyde foam and the urgent need to identify, test and solve these problems.

Mr. Speaker: I would just like to advise all members of the House that the notice of motion was indeed received in time and does comply with standing order 34. I will be pleased to listen to the honourable member for up to five minutes and to members of the other two parties for the same time as to why they think the ordinary business of the House should be set aside this afternoon.

Mr. Swart: Mr. Speaker, you will be aware of the meeting in Peterborough, if no one else is, and there can be little doubt that serious and widespread health problems are being experienced by persons living in urea-formaldehyde foam insulated homes. The federal government's April 23, 1981, ban on the further use of foam has focused new attention on it, but the dangers have been internationally known for years.

The National Research Council paper of April 1981 states, "Exposure to formaldehyde can cause eye, nose and throat irritation, coughing and asthma-like symptoms, headaches, dizziness, nausea, vomiting and nosebleeds. When sensitized, a person may suffer serious reactions at very low concentrations. High levels of formaldehyde have been found to cause nasal

cancer in laboratory animals indicating that humans should minimize their exposure to the gas."

The five public meetings in this province on this issue held during the last month show hundreds or thousands of people are suffering these symptoms. If there is still any doubt about the people being affected, I can display dozens of cases I have in my files.

As serious as all these symptoms are, the worst is the danger of cancer. The proposed ban by the United States Consumer Product Safety Commission said, "It is based primarily upon long-term carcinogenic properties of urea-formaldehyde foam insulation."

The health problems and the dangers now have been documented to a degree where this government must no longer ignore the existing or potential health problems of 100,000 or so Ontarians living in these UFFI housing units.

The province's Minister of Health (Mr. Timbrell) has a responsibility. Section 4(d) of the Public Health Act leaves no doubt. It states: "It is the duty of the ministry and it has power to determine whether the existing condition of any premises . . . is a nuisance or injurious to health." It also has the duty and power under subsection (g) to "make orders and give direction for the correction of unacceptable conditions."

It is now almost six months since the federal government acknowledged the health hazard by instituting a temporary ban and then confirming that ban in April. In those six months the Ontario government has made no moves to identify the homes with UFFI, to have testing done of all such homes or to determine the health of the occupants of those homes. Many health departments, which are the agencies of the ministry, perhaps the majority of them, will not even take tests when requested. In my very brief checks I found out that Ottawa, Scarborough, Kitchener-Waterloo and London do not do any testing, and many additional ones do not even have equipment to do it. No directions or help are given to home owners by the government through pamphlets or in any other way.

For these formidable reasons it is essential that it be debated now before the summer recess overtakes us. Plans should be finalized quickly for removal of the foam or other remedial action so it can be done during the summer when buildings can be adequately ventilated. Residents subject to high levels of formaldehyde gas should not go through another winter season under those conditions. The debate in this House is necessary now too because there

are no other vehicles for dealing with it. The estimates of the ministries of Health and Consumer and Commercial Relations will not take place until fall.

There are other dimensions to this UFFI issue where debate is urgent. Houses with UFFI are either unsaleable or have a tremendously depreciated value. The property assessment on which the owners pay taxes should be lowered immediately; similar, for instance, to the 25 per cent reduction which has been applied in Pittsfield, Massachusetts. Immediate consideration should be given to a law in this province similar to Massachusetts whereby the foam industry is required to buy back and remove the UFFI where occupants or former occupants suffer or have suffered adverse health conditions.

Certainly the responsibility for action does not rest solely with the provincial government; the federal government is involved too. But the debate here is necessary to tell the federal government this province expects it to act quickly in concert with us. The debate is essential too to tell the people of this province that this government intends to abide by its own public health laws if something is not done on this issue today.

This is a crucial and urgent health and environmental issue. The numbers of people affected are many times the numbers involved in the Love Canal episode, for instance, that we in the Niagara Peninsula and the rest of Ontario have heard much about. We do not know yet that the health hazards are not every bit as serious as they were in the Love Canal. It needs to be debated now.

Mr. Nixon: Mr. Speaker, I clearly and strenuously support the contention put forward by the honourable member that the matter in his motion dealing with the formaldehyde pollution resulting from improperly installed insulation should be debated in this House. It is for others, presumably at the federal level, to be as critical as they want of the inadequacies of federal policy in this connection, but certainly the actions of our own Minister of Health have been grossly inadequate and more than disappointing in this situation.

I have followed the various questions and asked a number myself of the minister and his colleagues as the matter evolved following the announcement by the federal Minister of National Health and Welfare in April that there would be a permanent ban. I would agree with those who have criticized the federal government that the statements made by the minister and the minis-

try in Ottawa have been seriously inadequate. They indicated there would be a full survey and that there would be some retrofitting program announced.

3:20 p.m.

We can be critical of them, but at the same time, the Minister of Health has indicated in this House as well as he could that he was trying to get on top of the problem so he could instruct his officers at the regional and district levels as to what actions to take. I feel the minister has unfairly tried to allay the concerns in the community and in this House without having any reason to take that course of action.

I cannot help but support him when he says we should not resort to a panic response and perhaps to comments about cancer and comparisons to the Love Canal approach or situation. Still, in Hansard of May 4, the minister very properly indicated his own concern. He said he was contacting Madame Monique Bégin, federal Minister of National Health and Welfare. He said, "If I do not have an answer in a day or two, I will get back to her in order that we can all be clear, in all the provinces, on what the federal government is going to do to correct this matter."

There is nothing unfair about that except his words indicate that in a day or two he was expecting some clear indication from the federal level as to what action would be taken. There has been no clear indication. It seems to me clear, however, that under the provisions of our standing orders the matter proposed for discussion does relate to a genuine emergency, calling for immediate and urgent consideration.

It is true the ban goes back to April, but we have been under the impression that the Ministry of Health here, if not on top of the situation, was taking clear and well-understood steps to accomplish what had to be done. There is certainly no indication to the public or the members of this House that such steps have been taken. There is simply more delay. Whether or not blame for this can be put on the government of Canada is irrelevant.

The member for Welland-Thorold is perfectly correct that under the Public Health Act it is the responsibility of the minister, with the support of this House, to call for the funds needed and to provide the people and equipment to monitor the situation in those homes where there may be the kind of environmental stress that has been described and which we certainly fear.

I feel the rules would permit, and in fact call

for a debate of this nature. I wish it were possible under our rules to indicate eventually by our vote what should be done to allocate funds to solve the problem.

I am very much struck by the statement made by the honourable member that the decision should be taken before we leave this House, because during the summer steps must be taken by the medical officers of health and others to protect Ontario residents.

Hon. Mr. Timbrell: I think it is evident from the statements by members from all three parties, those who have asked questions and those who have answered those questions over the last five or six weeks, primarily myself, that we are all concerned about this matter.

The report prepared for the federal Minister of National Health and Welfare probably leaves many questions unanswered and perhaps even poses as many questions as it answers. In that report they clearly state that from the examination of all the current literature, they are not in a position to state at what point urea-formaldehyde—

Mr. Martel: Err on the side of safety then.

Hon. Mr. Timbrell: Excuse me, I listened to the speaker from the honourable member's party. I would like the opportunity to say something in this assembly just once without the member butting in.

At the time the report was introduced, we immediately drew to the attention of the federal Minister of National Health and Welfare the deficiencies in the action she had taken on that report. Because they were not able to identify a point at which formaldehyde gas becomes a hazard, they make certain recommendations about medical examinations of people who might be affected by exposure to it.

They went on to recognize they were overstepping the limits of the terms of reference under which they were working and recommended that once the federal government had determined the extent of any health hazard, it establish a program for retrofitting those residences in which such a hazard might exist.

In that telex we further pointed out to the minister that we do not have the resources at hand to do all that work immediately but we would make all our resources at the provincial level and through the health units available to them. We have kept the pressure on them, virtually on a daily basis, and I asked for and got the co-operation of a number of members of the House of Commons to raise questions and to try

to present motions for similar debates in that chamber, which is the chamber where such a debate should take place.

Specifically, I would like to thank the member for Simcoe North, Mr. Lewis; the member for Rosedale, Mr. Crombie; the member for St. John's East, Mr. McGrath, and the member for Vancouver East, Mrs. Mitchell, who have pursued this matter in the House of Commons. I may say that notwithstanding that, we were not able to get an answer. As it turns out, we were not given this answer from the office of the Minister of National Health and Welfare until the day she returned. Apparently she had been in Geneva for a couple of weeks. We were not told that. We were just told the matter was under advisement and they would get back to us.

Last Wednesday, the Minister of Consumer and Corporate Affairs, Mr. Ouellet, said in answer to a question, and I quote, "The matter is under review by the interdepartmental committee and within a few days we shall announce a series of measures that will specifically meet the expectations of the people and that will indeed allow us to assess the exact extent of the problem." This is exactly what we have been pressing them to do. This is exactly what we have been telling them we are prepared to help them to do. On Friday of last week, June 5, Mr. Ouellet went on to say that announcements will be forthcoming following the meeting of the federal cabinet this Thursday.

I submit we have been doing everything possible within our power to address this particular concern. It is a serious concern, if only because people do not know—I acknowledge that, and for that matter, scientists do not know—any specific answers to some very specific concerns. But we have submitted ways to arrive at those answers to the federal government. We are more than prepared to help them work on them.

The place for any emergency debate is in the House of Commons, not in the Legislature of this province or of any other province. I invite members to do everything possible to assist us to keep the pressure on the federal government, so that we will get from them a program we can and will co-operate with to do exactly the things we, and the member for Brant-Oxford-Norfolk, want done. It is not a matter of passing the buck; we are quite prepared to share in the solutions to people's concerns and problems to the extent of the resources we have available.

One further observation: I have been pressing

for the whole of this session to have the estimates of the Ministry of Health considered in standing committee in this spring session, which would have afforded 20 hours to discuss at length any and all of these concerns—

Mr. Speaker: The minister's time has expired.

Hon. Mr. Timbrell: I would point out, Mr. Speaker, that both opposition critics asked that those estimates not proceed this spring. I submit this is not an appropriate occasion to exercise rule 34(a).

Mr. Speaker: I have listened most carefully and attentively to the motion and in my opinion it does not comply with the criteria under standing order 34.

Mr. Nixon: Which part does it miss out on?

Mr. Speaker: The ruling is not debatable. If you wish to challenge me, you may.

ORDERS OF THE DAY

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

Mr. Boudria: Mr. Speaker, members will recall that last Friday I spoke at some length on the gas tax bill.

Mr. Speaker: Order, please.

Mr. McClellan: Mr. Speaker, on a point of order: I did not hear you call the orders of the day or motions, bills, petitions, et cetera.

Mr. Speaker: I do not know whether your hearing is defective or my microphone is turned down, but I did call the orders of the day and I did go through the routine proceedings. I recognized Mr. Boudria because he adjourned the speech on Friday. Proceed, Mr. Boudria.

Mr. Boudria: I will try again. Members will recall that last Friday we spoke for a certain amount of time on the bill. I notice that the Minister of Revenue (Mr. Ashe) was nodding a minute ago in recognition of the fact that we spoke at some length on the legislation. I only have a few brief things to add. The Minister of Revenue will perhaps be glad to hear this because I am sure many other members want to have their input in telling the government just what we think of that particular legislation.

3:30 p.m.

I just have a few more quotes from certain speeches that I would like to read out to explain to members how this is a complete reversal of

the government policy we have had for the past four years, which coincidentally was while they were in a minority position. I am sure this is only a coincidence, Mr. Speaker, and the March 19 results have nothing to do with this particular ad valorem gas tax. Or do they?

I will read again a portion of the speech that was read by the then Minister of Energy (Mr. J. A. Taylor) in 1977, who incidentally is over there listening. I will read the following portion of the speech. It says: "Mr. Speaker, if the government of Canada once again hikes the price of crude oil it will be the fourth year in a row in which the Ontario consumer has been duped in the name of ensuring security of supply."

Mr. Wildman: We have been what?

Mr. Boudria: Listen to this. We read a little further in the speech.

"The public has a right to expect the government of Canada will reduce that special tax and relieve the consumer of this unnecessary burden; either that, Mr. Speaker, or the right to know where that extra tax money is being spent, and what contribution it is making to the future energy supplies." Of course you know, Mr. Speaker, that this ad valorem gas tax does nothing to reinforce a continuing energy supply. It is only there to fill up the coffers of the government at this time.

I will just read a little bit further in the last part of the speech. It says: "Our economy and the average wage earner simply cannot afford another oil and gas price increase." These are the same people, the same government—granted, a different minister; the former minister is no longer in the position that he was then—but nevertheless it is the same government that is telling us now that this gas tax is good for us.

It seems that nobody else agrees this is a good tax. I suppose it is customary for people not to like taxes of any kind but these comments are not coming from the general population. Many journalists have expressed strong reservations with this particular legislation. I am reading today an article from this morning's *Ottawa Citizen* by Orland French. The headline, by the way, of this particular article is "Tory Arrogance Returns." I will read part of it. It says:

"Perhaps the best example of arrogance goes back to the election campaign. You can't blame the Tories for sucking in voters with a vague request to help keep the promise, but you can blame them for an implicit pledge to hold down taxes, and then bringing in a budget with more tax increases than Ontario has seen in years.

Most cynical of all, and perhaps the most dishonest in view of the implied promise to hold down taxes, is the ad valorem tax imposed on several items including gasoline."

This is not one of the Liberal back-benchers speaking in this article. This is a very learned journalist who does not agree with this taxation as well. I will read on just a little bit further—

An hon. member: Have you any from Claire Hoy?

Mr. Boudria: I have some quotes from him later on, too.

"Before the election, Davis fought valiantly against fuel price increases on the reasonable grounds that higher prices would depress Ontario's economy. Now his government profits from rising fuel prices. The fuel tax is taken at 20 per cent of gasoline prices so that every time the price of gasoline goes up a nickel a gallon the Ontario Treasury takes another cent.

"Even the government profits from inflation. From a political point of view, the beauty of the ad valorem system is that the government does not have to introduce and justify higher taxes in every budget. Tax revenues rise automatically with inflation."

Perhaps the reason this is being introduced at this time, in the first year after an election, is that in three or four years when we have another election the government will not have to increase taxes in an election year. There is an automatic tax increase for them which is there forever. Politically speaking, this may seem to be a good thing to do, but I suspect the people will remember this four years down the road—if it is ever implemented.

I still feel the government should withdraw this tax. A few weeks ago when this was introduced the conditions were not the same as they are today. We had not witnessed the hike in the price of gasoline announced by the federal government last week—

Hon. Mr. Ashe: The federal Liberal government.

Mr. Boudria: I hear the honourable member across the way talking about the federal Liberal government. But I could talk about the provincial Tory government in Alberta which they cannot agree with. There is one of each in that circumstance. We can throw the ball back and forth.

Here is another article, from last Friday's *Toronto Sun*—it is by another very learned journalist, Mr. Claire Hoy—that I would like to quote from; it headed "Could Bill Win With

Oiltario?" This article discusses the possibility of the Ontario government trying to pack their coffers to buy an oil company. It mentions the possibility of buying Texaco.

I wonder whether there is any validity in this article. Maybe with the extra money they are raking in, this is what the government wants to do. Of course, we do not know. Some cabinet ministers are denying it; some are being non-committal. We just cannot figure out what their position is. We can only see some of them grinning, some of them chuckling, but most of them not saying anything. Nevertheless, Mr. Hoy thinks we could have an Oiltario here.

I do not know whether we would have the gas pumps operating with a slot machine type of handle. If one pulled the handle at the right moment, he might win a free tank of gasoline, or something like that. I suspect either way the people will lose in this type of venture.

I have just a few more things to say.

I am looking at a cartoon that I believe came from an issue of the *Globe and Mail* last week. There is a double toll booth, the first booth being operated by what seems to be Mr. Lougheed and the second being operated by Mr. Lalonde. As one passes the second toll booth there is a gentleman hiding behind it with a baseball bat to clobber the consumer on the head. It says right on the baseball bat "ad valorem."

Of course the gentleman in the cartoon is our Premier. They are trying to bat our consumers on the head; that is what the cartoon tries to illustrate, and it is quite true. This is exactly what is happening. Our consumers are being hit right across the forehead with something of the magnitude of a baseball bat. We cannot withstand that kind of a blow. It is especially detrimental in rural areas and areas of eastern Ontario.

I see the honourable member for Leeds (Mr. Runciman) sitting across the floor. Like myself, he is a member from eastern Ontario, and he too should be very concerned about this tax. His area—unlike the area represented by the member for Ottawa South (Mr. Bennett), who is just leaving the House—does not have OC Transpo, the TTC or any of those kinds of rapid transit facilities. He is in a situation similar to the one I am in, in that constituents of both ridings are having to pay that tax whether or not they like it. Having an automobile in a rural constituency is not a luxury, it is a necessity.

3:40 p.m.

What makes it even worse is that in areas with high unemployment, such as my constituency,

and in areas where people tend to have a lower income, people often cannot afford brand-new automobiles that get 50 or 60 miles to the gallon. Many of them are still driving their 1973 or 1974 model cars that get 12 or 13 miles a gallon. With that kind of consumption, they cannot afford this taxation. It should be defeated for that.

Just one last cartoon—it seems we bring cartoons into this discussion quite often. I do not know why. It is somewhat inappropriate, because that kind of tax is certainly not funny. Nevertheless, one has to read the underlying messages that sometimes are in these cartoons.

We have here a caricature of the Premier sitting at the Albany Club. We see a telephone that says "Albany" on it. We see the Premier allegedly in deep thought. The deep thought goes like this: "Problem: Do past promises take precedence over present promises or should present promises precede past promises? Ah, proclaim prodigious future promise to preclude all past promises. Perfect! Paltry predicament."

This is another example of the media, the journalists, telling us that the government again is reneging on the promises it has made to the people over the past four years to keep energy prices at an affordable level. It has not not done that. It has betrayed the electorate of Ontario and especially the people of rural Ontario who have to pay these high prices for gasoline.

An article in the *Ottawa Citizen* one day last week said that this latest round of price increases in gasoline will bring an extra \$40 million to \$50 million in tax revenue to the government of this province. This is \$40 million to \$50 million the government did not even think it was going to collect two or three weeks ago. If it did not need that \$40 million or \$50 million two or three weeks ago, how on earth can it justify levying that tax now if it did not even think it was going to get it just a few days ago?

Mr. Kerr: Who says we do not need it? What about all the roads we are going to build in your riding?

Mr. Boudria: I just heard somebody talk about the roads they are going to build in my riding. It is an interesting question that was asked by the honourable member over there. If the honourable member had been here last Friday, he would remember—

Mr. Kerr: I was.

Mr. Boudria: If he was, perhaps he did not listen to my speech at that time. I illustrated to all members of this House, in reading from the briefs submitted to us by the Ontario Motor

League, that the motorists of this province are paying more than their fair share at this time. They were paying more than their fair share two years ago, and they are paying even a greater proportion in excess of their fair share with this new ad valorem taxation.

It is fine for the honourable member to tell us they need that money to build roads in my riding. The roads are not efficient in my riding, but I suspect they do not intend to take those extra \$40 million or \$50 million to put them there. I doubt that very much. The five-year forecast of capital expenditures by the Ministry of Transportation and Communications for my constituency does not include any major work at all.

It was only a few weeks ago that I met with the Minister of Transportation and Communications (Mr. Snow) to try to get a passing lane installed in an area of heavy industrial growth in my constituency, an area where several trucks have to drive alongside Highway 17 in the area near Hawkesbury. That was refused.

Mr. Kerr: You will get it now.

Mr. Boudria: I am glad to hear the member across the floor say he thinks he will now get that for me. I am glad to hear he has that kind of influence on the cabinet of which he is no longer part.

Mr. Philip: They must have three cadavers per mile before they get to your riding.

Mr. Boudria: The honourable member to my left is suggesting that they must have three cadavers per mile. There are far in excess of three cadavers per mile in the area where these road improvements are needed.

Nevertheless, that does not have much to do with the substance of the gas tax, with the exception, of course, that if they intended to levy that \$40 million and \$50 million to repair the roads in my riding I am sure the people in my riding would wholeheartedly agree with that. But I do not think that is the purpose for which those funds are being levied.

Those funds obviously will be levied to pay some of those expenditures that we saw during the course of the last election—some of the “Preserve it, conserve it” advertisements that we heard every 30 seconds on radio and television; some of these “Good things grow in Onta-ri-ario” that we heard in the last election campaign, or the French advertisements that were made en français in my constituency to try to tell my constituents how this government had done everything that they ever imagined could

be done for the francophone community of my riding. Those funds will obviously be used to pay for those expenditures. They will not be used to construct roads in my constituency; I am sure they will not.

Just to sum up: I am sure that honourable members on both sides of the House will think very seriously of the impact this legislation has on the people of Ontario and of the effects it will have on our economy. Cabinet ministers have been telling us time after time that it would have a disastrous effect on our economy. I would be surprised if they even had cabinet solidarity on that particular legislation. Surely they could not have that when half of them have spoken against that legislation in the past.

We in our party are not going to vote for this bill, and I hope the honourable members on both sides of the House will defeat it. Then we can go on to legislation that we should have for the people of this province, and stop taking up too much time on this legislation, which should never have been introduced.

Mr. Renwick: Mr. Speaker, I want to spend a few minutes speaking to Bill 72, which is the bill before us to amend the Gasoline Tax Act, 1973. This is the first opportunity I have had to comment in this chamber about the budget. I doubt if in the course of the time I have been here I have ever encountered a budget as cynical and as unresponsive to the actual needs of the people in the province as this budget.

The capacity of the government to diffuse its tax increases and to express them in cents rather than in dollars leaves the great bulk of the members of the public unaware of the total impact of the budget that has just been presented for the province. Whatever the mix should have been or whatever the economic theory may have been behind the budget, I want the Minister of Revenue (Mr. Ashe) to understand that it is totally unacceptable in a riding such as the riding I represent. It is our responsibility—it is my particular responsibility in representing the Riverdale area—to try to bring home to the people in the province what has been done in the taxes that have been levied by the government.

I do not need to be a mathematician—and I am not a great one—to work out very simple arithmetic for the impact of the government's proposals on a family of four in Riverdale riding with an income of \$15,000 a year. On that basis, one can calculate that they will pay something in the neighbourhood of \$73 a year for income tax, \$72 a year for increased Ontario health

insurance plan premiums, another \$30 a year—on a conservative estimate—in the tax that will be imposed under Bill 72, and, as it is in Riverdale, a modest consumption of alcohol and cigarettes will add about another \$22.

Adding the \$73 income tax increase, the \$72 OHIP premium increase, \$30 more for this tax and an extra \$22 for beer, alcohol and cigarettes on a yearly basis—they are very temperate people in my riding—the total dollars taken out of the pockets of the people in Riverdale, using my example of a family of four with an income of \$15,000, is \$200. The people in my riding cannot afford that. I want the government to understand that the people in the riding of Riverdale cannot afford that kind of levy. It may be different in other jurisdictions or in different parts of the province, but not in Riverdale.

3:50 p.m.

I am unalterably opposed to the methods the government has used to distribute the tax burden in the province, to raise the additional revenues it may or may not need—one never knows, and that part of my position I want to make very clear. I may have an opportunity in the budget debate at some distant time to talk at some greater length about it, but one of the ridiculous parts of the procedure of this House is that there is no focus to the budget debate. We will not actually vote on the budget until next Christmas. One of the procedural changes that must be made is to give it an immediate focus.

If we give an immediate focus to the throne speech, which usually contains nothing of any consequence, then we certainly should give an immediate focus to the budget after it is presented, to be able to treat its full impact in a general debate.

I want to turn now specifically to the bill before us. When my colleague the member for Welland-Thorold (Mr. Swart) was speaking on Friday—and I am quite certain a number of other members have made the same point—he raised the fundamental question of the abdication by the assembly, in the way the government has produced this tax, of an opportunity to comment further upon it.

It is quite likely that the 20 per cent levy, with the inflationary price of gasoline, will remain the basic levy for a considerable period of time. That will mean this bill will not again come before us for debate. One might almost certainly say that for the life of this Parliament this is the last time we will be talking about this bill. There will not be an occasion when it will come

before us again. That is because the government has chosen to change from a flat rate to an ad valorem rate for the imposition of the tax.

There may have been an occasion at one time in the past when life was relatively stable and an ad valorem tax made some sense or had some particular traditional value. But I say to the government that this is the wrong time to use an ad valorem tax. As has been said by many of the speakers in this debate, when an ad valorem tax is combined with a high and continuing inflationary rate in the economy, the government is buying into the inflation spiral. That is all it is doing. It cannot be justified in any other way. That point must be emphasized.

We had the same problem in a somewhat different context with OHIP premiums. They are not subject to debate in this assembly. In that sense, we have abdicated our responsibility. A year or two ago, when my colleagues fought on the question of the last increase in the OHIP premiums, we tried to get the matter back in front of the assembly so that every time the government announced an OHIP increase it had to bring legislation into the assembly. Indeed, there was a very real question as to whether it was a tax and could only be levied by the assembly when an increase was proposed. To our chagrin, our position on that was not accepted, and we are again in the position where we have little, if any, opportunity to discuss the OHIP premium increases.

This bill is before us for the purpose of implementing the statement of the Treasurer (Mr. F. S. Miller) in his budget: "I am proposing the following specific tax increases... First, that the new ad valorem tax rate on gasoline be set to incorporate an average increase of about one cent per litre and the new tax rate on diesel fuel be set to impose a 1.1-cent-per-litre increase. There will be no specific increase for railway diesel fuel and aviation fuel."

The same arguments, with a lesser impact, apply to Bill 73, which deals with the Motor Vehicle Fuel Tax Act, as apply to this bill before us. I say to the minister, the best information I can get is that of the total oil consumption in Ontario, 55 per cent is used for transportation. When that 55 per cent is broken down, it shows that automobiles use 57 per cent, trucks use 26 per cent, air is seven per cent, rail is five per cent and marine is four per cent. One can readily see that the automobiles and trucks on the highway account for a significant proportion of that 55 per cent—not all of it, but practically all of it, because the air, rail and marine share is a mere 16 per cent.

We are not talking about something that is negligible in the economy. We are talking about a scarce resource that is becoming extremely expensive, and more than 50 per cent of our total consumption of it in the province is used for transportation. That is what the government has decided to tax to get in on the game. They have given up, as they have given up on all of the other issues. It is not their responsibility. Their responsibility is to get a percentage of the take. That is what I meant when I said the budget is a cynical budget. It seems to have no regard for the fundamental tax that is imposed upon an essential for practically all of the people in the province, and that is the tax on gasoline.

When one looks at the budget and at the way it is going to be implemented, we find that the Treasurer states in his appendix to the budget: "The tax rate on gasoline will be established at 20 per cent of the retail price determined by the Minister of Revenue. The 20 per cent tax rate applicable to each grade of gasoline will be 5.4 cents per litre of regular gasoline, 5.8 cents per litre of regular unleaded gasoline and six cents per litre of premium leaded or unleaded gasoline. The retail price of gasoline, to which the 20 per cent applies, will be adjusted on a quarterly basis beginning July 1, 1981."

In looking at the way the government has decided to impose that tax, I could not help but recall the position taken by the Premier (Mr. Davis) in the major statement he made in this House on October 31, 1980, the day after the Premier of Alberta had announced the impending 180,000-gallon-a-year reduction in production in Alberta, of which the first 60,000 was on March 1 and the next 60,000 was on June 1 of this year.

It is interesting that the statement made by the Premier at that time could bear repetition today, because he talked about the difficulties of the federal government and the Alberta government reaching agreement on something called a Canadian price for Alberta crude oil, the price that would be paid to provide that province with a justified return on its particular diminishing resource.

He opened his remarks simply by reciting the difficulty of the two governments in reaching an agreement, and of course we are in the same position now as we were on October 31. As I understand it, the Honourable Mr. Lalonde, the federal minister, and the Honourable Mr. Leitch, the Minister of Energy for Alberta, will be

meeting this week to try again to resolve the question of an acceptable price between those two governments.

4 p.m.

The Premier in his statement cited the obvious at the end of his remarks by stating quite clearly: "The government of Ontario has neither the authority to set oil prices nor to control the production of oil." The government is taking a matter that is entirely out of its control and applying a tax to it on a percentage basis. It is simply saying, "Whatever the take is going to be, we are going to get it for the government—but from the people of Ontario, not from anybody else." This is not a redistribution of revenues accruing to other jurisdictions in Canada and coming back to the province itself through the system.

The Premier also stated: "While no direct threat is posed to security of supply for Ontarians or Canadians, it will add a liability of \$1 billion to the oil compensation fund in 1981 and \$1.8 billion in 1982, based on present world prices." I will come to those world prices in a moment. "This will add to the national deficit and the debt load carried by all Canadians . . .

"This new compensation burden for more foreign oil would require an additional increase of \$2.70 a barrel by 1982. This would, as a result of the liability created by Mr. Lougheed last evening, increase the cost to the consumers of Canada by an extra four and one half cents to five cents a gallon in 1981 beyond those increases already planned for.

"The impact of last night's statement is economic. It imparts an extra financial burden upon an already tight national economy. This burden is not being imposed on Canadians by any foreign power or by any international collapse but by a Canadian provincial government."

Then he got quite dramatic for the Premier:

"It is both sad and of deep concern that one provincial government, presiding over what is the most rapidly expanding economy in the country, should respond to a continued and prolonged disagreement by imposing deep economic penalties on the working men and women, the pensioners, the businessmen and the people of Canada."

I think it speaks for itself. The government of Ontario has said, in its own cynical way: "We are going to add to that burden. We are going to add to the burden this decrease in the production of oil in Alberta is imposing upon the working men and women, the pensioners, the

businessmen and the people of Canada. We are going to add to it because we are going to take our part of that rise. We are going to participate in increasing the burden on working people."

I say to the minister as clearly as I can that, with respect to the tax in this bill, it is unacceptable in the riding of Riverdale. People are extremely patient, but in talking politics to anyone around they will ask, "When are the people in the country, in the province, in the riding of Riverdale, going to say enough is enough?"

Is this government playing catch 22 with the people of Ontario? It denies any responsibility for what is happening to the economy. It tries to foist the responsibility on to either worldwide conditions or the Canadian government. It has created the impression among the electorate of Ontario that it has little, if anything, to do with matters of interest rates, inflation or the cost of living; that there is nothing it can do about them. At the same time, it goes into the pockets of the people and takes out the funds, which relates to its abdication of responsibility with respect to those fundamental problems.

I do not know how long the government can have it both ways. I expect that perhaps between now and the next election, given it is four years, we will be able to indicate to the people that this kind of government must cease. We cannot afford the luxury of a Conservative government any longer in the province because every time it chooses the wrong people to tax.

There is not a single, solitary tax in this budget that has been imposed upon the people of Ontario that has any significant element of progressiveness to it. There is very little in this budget that says those who have can pay more than those who have not. That fundamental aspect is one for which the Minister of Revenue is not responsible. That is why I say the budgetary process in this House is quite ridiculous. I can understand the Minister of Revenue standing up and saying: "My responsibility is the collection and administration of the tax imposed by the act. I am not responsible for the policy, except as one member of the government."

While the Treasurer is responsible for the policy, he rarely bothers to be in the House when any matters related to his fiscal policy are up for discussion in the assembly. If one kept a clock watch on him, one would find he had been here a negligible amount of time from the evening when he stood before the klieg lights in this House and delivered that budget address. We have been preoccupied to try to bring some

of our concerns to the floor of the assembly. I would like to think somebody in the hierarchy of the Treasurer's ministry reads Hansard and perhaps indicates to the minister matters which are of concern, but I doubt very much that that takes place.

The Premier said Premier Lougheed of Alberta should not be imposing deep economic penalties on the working men and women, the pensioners, the businessmen and the people of Canada. Let us look at the world price and see the extent of the inflation his government is participating in, Mr. Speaker. I am not going to go back to September 30, 1973, with respect to the Alberta wellhead price in Canadian dollars for a barrel of crude oil and the world price at that time in US dollars for the standard benchmark type of oil, the Saudi Arabian light crude oil. I will select the date of July 1, 1978.

Interestingly, that was a time when the Canadian dollar, although not at par relative to the US dollar, was close enough to make the exchange differential less significant than today, so the prices are comparable. On July 1, 1978, the price of a barrel of Alberta oil at the wellhead was C\$12.75. The world price was US\$12.70. They were practically equivalent at that time. The price that was being paid for imported oil was about the same as the price being paid for Alberta oil. What happened then? On July 1, 1979, the Alberta price was \$13.75 and the world price was \$18. On January 1, 1980, the Alberta price was \$14.75 a barrel and the world price was \$26.

Then we come to this interesting device of blending. We see the inflationary impact, of which we are all aware, coming about in the price of oil. In figures, on August 1, 1980, the Alberta wellhead price was \$16.75 and the world price was \$30. The so-called Canadian price—that is, the blended price, the petroleum compensation charge which was intended to blend the higher prices for foreign oil to the domestic price for crude oil—the blended price on August 1, 1980, was \$18.50.

4:10 p.m.

On January 1, 1981, the Alberta wellhead price was \$17.75, the world price was \$32 a barrel and the blended price was \$23.80. Now it is expected, and there may be some additional charges to alter that price, that on July 1, 1981, the Alberta price will be \$18.75, the world price will be \$32—as yet I have not heard of any change in that price—and the blended price will be \$26.10. In six months from January 1, 1981, to July 1, 1981, the blended price will have gone up

something in the neighbourhood of \$3.50 to \$4. In the preceding few months it went up another \$5.

When we translate that as per-barrel price increases over that short period of time into the price at the pump it should be possible to understand clearly the inflationary impact this government has added by going to an ad valorem tax.

I do not know whether I can express anything further that will add to some kind of understanding of what the government has done as reflected in the Riverdale area. I believe the government consistently has not necessarily understated, but has certainly played down, the effect of this tax. They have tried to indicate somehow or other that it is really not all that important, that they are just getting some kind of small share of it. As the Treasurer himself has acknowledged, the average family will be paying \$30 more this year. Our best estimate is that in 1982 the same family will be paying an additional \$80, and our best estimate in 1983—probably low—is that it will be \$106.

If that is the magnitude of the increase that the people in the province are being faced with by this government, then the House can understand the progressive concern that we have, because this tax will never come before us for consideration again. We will not be here when the taxpayer in Riverdale is paying the additional \$80 next year and the additional \$106 the year after.

The minister knows as well as I do that varying projections indicate the \$30 this year for the average family for the period this tax will be in force on the changed basis may amount in 1983 not to \$106 but perhaps to substantially more. The people in Riverdale cannot afford to pay that kind of tax.

It is not as if this is a negligible part of the revenues of the province. Again, the minister and others speaking for the government have tried to indicate it is a relatively small part. Motive fuels taxation is shown by the Treasurer in the appendix to his budget to count for six per cent of our own source revenues for the province. How much does that work out to? In 1980-81 it is \$751 million. If one adds on the \$135 million that the Treasurer estimates for the rest of this year, one is up to \$886 million. By this time next year that will be well over \$1 billion.

I think it is quite clear the government is saying, "We are going to get our share of the inflationary spiral with respect to the price of

fuel in this province, and we really do not care a lot about the impact it has on the individual citizen who must pay the tax."

I close my remarks by saying that to me it is cynical. I cannot possibly, nor can the Premier, rationalize the statement he made on October 31 last year, which does not need to have a single word changed to be applicable today. He said it is both sad and of deep concern that one provincial government, presiding over the most rapidly expanding economy in the country, should respond to a continued and prolonged disagreement by imposing deep economic penalties on the working men and women, the pensioners, the businessmen and the people of Canada.

To me it is both sad and of deep concern that the government of Ontario, under the leadership of the Premier who made that address last October, has decided to impose a deep economic penalty on the working men and women, the pensioners, the businessmen and the people of Canada. He is doing this by translating the gasoline tax into an ad valorem tax—by hooking the price to the spiralling cost of fuel.

What was the alternative? It was the obligation of the government to protect the people against that additional economic penalty. The way it could have done this was to have left this taxing statute alone. At least it should have left it where we left it in 1979—at 4.6 cents per litre. It should have said that until the price disagreement between the federal government and the Alberta government was settled, until there was some sense of stability in the fuel market in Canada, it was not going to impose any additional taxes. It should have said that to the extent it was in its power it was going to protect the electorate against that kind of tax.

But no, in a very cynical way, immediately in the aftermath of the election, the government has chosen otherwise.

I personally do not understand it. I guess we will never really have an opportunity in this House for the Treasurer to stand in his place and try to answer any of the criticisms that have been made. I guess we will always be subject to this pretending that it really does not matter. It is just as on budget night when they ask somebody on the street what he thinks of the new Ontario budget and he replies, "Oh well, a few cents here, a few cents on cigarettes, a few cents on liquor, a few cents on beer, a few more dollars gone on OHIP, a little bit more out of my take-home pay when I leave work is not going to

matter very much, because I do not really believe that government at Queen's Park has anything to do with economics."

Their tradition has been to take no responsibility for the economic condition of the province, that Ottawa has something to do with it. We happen to believe there is a responsibility on this government, here and now.

I stand with my colleagues in this party, and I am glad to say with the members of the Liberal Party, in asserting that this should not have been done however else the revenue needs of the province may have had to be met and whatever economic theory motivates the Treasury—and God knows, I do not know what the economic theory is that motivates the Treasury, if there is one. I certainly do not need to bow my head to the economists these days, nor does anybody else in this chamber, about knowing what goes on in the world of economics. So I have no hesitation in saying the government is wrong, this is an atrocious tax and it is not an acceptable one.

I do not know when the people in the province are going to say enough is enough, that they are not going to have the tax collector coming and dipping into their pockets for a few cents here, a few cents there, a few cents every time they turn around. It all adds up to a minimum in my riding of \$200 for a family of four. That is what the government took out of their pockets on budget night, and we in this party are dedicated to putting that \$200 back into their pockets as quickly as we can.

We are concerned for people who are earning in the marketplace, where they have little if any bargaining power, somewhere in the neighbourhood of \$15,000, \$16,000, \$17,000 and \$18,000 a year. God knows, that is not an exorbitant amount of money these days in this society, but in my judgement that represents the average of the people in the Riverdale area. I say to the minister, while he is collecting the tax, I hope he understands that the people in Riverdale can't afford it.

4:20 p.m.

Mr. Van Horne: Mr. Speaker, I join with the previous speaker, the member for Riverdale, and prior to him the member for Prescott-Russell, the member from our party, and others who are trying to get the same message through—not only to the Minister of Revenue (Mr. Ashe), who I am afraid is carrying the pail for some of his colleagues, if not all of them, but also to those faceless civil servants who with their input, expertise or whatever it is to the

ministers, to the cabinet, come up with such plans that we find unacceptable and that the people in the riding of London North find devastating.

I realize full well that there are three or four of these people sitting in the gallery. Mr. Speaker, with your indulgence, if my words slip by you over to them, I hope they get the message. I hope they get the message as indicated by the previous speaker that we in the riding of London North have had it. It is time someone stood up, if not a whole lot of us stood up, and said, "That's it. We aren't going to take it any more. How long do you think you can get away with pillaging the people of London North and the other ridings in this province as you are intending to do with this unacceptable gasoline tax?"

I say that as loudly and as clearly as I can, with the fond hope of waking one or two of those civil servants up to the fact that we are not going to take it any more. They can smile, some of them, and walk out of here and say, "Well, that is fine; we are carrying on with our job and we will keep passing this type of recommendation on to the minister or ministers." But let me tell you, Mr. Speaker, there is a day of reckoning coming. We in my riding aren't accepting it, and as we proceed with this debate and debates like it, because the members opposite are not going to get away with it, they will finally, I hope, get the message that the people out there are hurting and they are the ones who are hurting them.

It is fine for them to shrug their shoulders and say, "Well, it is your colleagues in Ottawa." What about the government's colleagues in Alberta? We could throw that one out if it were meaningful or if it were going to help to provide a solution. We could try to provoke the government members with that kind of counter-argument. But I would submit it is sort of unproductive to proceed with that kind of debate, because solutions are found, by and large, through looking in one's own camp or cleaning up one's own house. That is the place where the province of Ontario should begin; it should start cleaning up its own house. It is not doing that by passing this regressive, oppressive tax on to the consumer in Ontario.

I had a difficult time as I read the explanatory notes. It sounds so simple. The first paragraph or two say, "The bill implements proposals in the Treasurer's (Mr. F. S. Miller) budget that the tax on gasoline be established as a percentage of the retail price of each grade or type of gasoline, as determined by the Minister of Revenue after

periodic sampling of retail prices from time to time paid by the consumers." Good grammar, easy to understand until one starts looking at the implications.

The notes go on, "The bill makes provision for the minister to alter the price on which the tax is based so that the increases and decreases"—I would love to see a few of the latter, but I am afraid I won't and I would have to submit that whoever wrote that had his or her tongue far into his or her cheek—"in retail prices can be reflected by a corresponding change in the tax payable." Again, that sounds rather simple.

I don't want to take the time of this House by reading what we all have sitting in front of us—it would not be a good exercise—but then one translates that, as all of the media did, into however many dollars it is going to take from the average consumer. Our own newspaper in London submitted it had heard from a Treasury spokesman that the impact for the average motorist had been estimated to be only \$31 for the year. But as they reworked the numbers it came out just a little bit higher than that. Now the grim reality of this regressive tax is in fact setting in on us and we are realizing it is not just a \$30 potential we are looking at, but we are looking at \$200 or \$300—as the member for Riverdale pointed out—for an average family of four.

We have indicated through our finance critic and others in our party that we feel this change in the gas tax to an ad valorem base means the government now has a vested interest in seeing the price of oil increase, since every time the price goes up, so does the government's take. In fact, the 20 per cent tax on gasoline means the government of Ontario, which gave the impression at least of fighting bitterly against any increase in oil prices by Alberta, will now profit more than Alberta from those increases. We call this profiteering. It is a tax we simply cannot accept.

I think it is fair to say that the history of mankind is full of taxes, and the people, in spite of not liking them particularly, have been able to survive or put up with them. We can go back to the Bible and find references to the tax collector. People generally seem to have something built into them that will let them accept oppression or dictatorship. I would submit to the House that that is almost the attitude we are seeing here in Ontario from some people, that we really do not have a democracy here, we have sort of a benevolent dictatorship operating under the guise of a democracy.

At times, too, we accept such oppression, we accept such a discipline, if you will, that a tax brings along with it. If we perceive there is a need to have that to survive, at times we are inclined to accept it. I would submit the people of Ontario probably could accept this if they felt they were going to find some kind of solution or even if they were addressing the moneys they were handing out to the defeat of some kind of enemy. We did this in the war; everybody pitched in because there was that common enemy.

We do have a handful of common enemies here in Ontario, as we do right across Canada right now. We have the enemies of inflation, unemployment, fuel prices, and I could go on with sundry others. I think we could probably accept this gasoline tax if we felt it was being used—that is the revenue that is coming in through the honourable minister's coffers—in some fashion that would address itself to the fuel crisis.

But as one takes a look through the budget book, as one takes a look through the other documents that the government is using to prop up its dictatorship, do we find anything in the Board of Industrial Leadership and Development program that addresses itself to finding solutions to our energy crises? I would submit to the minister that he could read that thing backwards, forwards and sideways and not find a solution in that wonderful document.

The same thing applies again to the budget. There simply is not a solution there. I would hope when we conclude that the Minister of Revenue or the Treasurer, or whomever, would stand and tell me, "Van Horne, you are wrong. We do have a solution and here it is. This is where all of this wonderful money is going to be placed."

4:30 p.m.

The Deputy Speaker: The gas tax, Mr. Van Horne.

Mr. Van Horne: I would submit that this gasoline tax isn't going to direct a penny to meeting our energy crisis here in Ontario. I would offer, Mr. Speaker, that what we look for is an alternative. If the money were being used to come up with that alternative, we would surely be delighted. Given the fact the government is apparently going to get these funds in spite of our protestations, in spite of our talking against the bill, what would be wrong with directing some of its money to an alternative such as methanol?

In addition to researching ways of mass producing what we in our party feel is a good energy alternative, something like methanol, what would be wrong with taking some of those moneys from the gasoline tax and looking at the effects of other energy alternatives on plant and animal life? Is there anything in government research right now, research it is doing independently or in concert with our universities in Ontario, to find an alternative? Is anything being done to assess what those alternatives might be doing to human and plant life if in fact one brings them on stream?

At the base of those questions is the concern that we in our party have for a government that is governing this province without any blueprint or design. A course has not been charted for the citizens of Ontario. The province is like a ship without a rudder in the middle of a lake or an ocean, floating about without any kind of direction except to respond to the winds of urgency that come through public reaction. A course has simply not been charted. Ontario needs more than that.

As I indicated, our party has come up with an energy alternative. We have presented our paper. People in the Ministry of Energy are aware of it. Quite candidly, without getting into the various recommendations in that rather lengthy paper, many of the government staff would agree with what we are suggesting as an alternative. If the government were going to bleed from the people of Ontario the few dollars they might have left after it has taxed everything else except the air we breathe, and address some of those dollars to solutions, maybe we could accept that; but we are not getting any of those solutions.

What we are getting is the old smoke and mirror show, a convoluted, double-barrelled, forked-tongue approach to the people in Ontario. Whenever we stand in the House to question the energy policies or tax policies, we are accused of having no influence with our federal colleagues. The federal government is accused of being the source of all the problems. The government does not for a minute seem to want to support its fellow Conservatives in Alberta, except perhaps to be able to hop into bed with them and make a fast buck whenever it can.

A couple of years ago the government accused us of attempting to encourage world oil prices. My leader's words have been twisted around, his words have been taken out of context and he has been repeatedly misquoted in the last couple of

years, up to and including this last election campaign, in what he was talking about in terms of oil prices.

I am quoting part of an editorial article in the *Globe and Mail* headed, "Repeating What Was Never Said." It reads: "The Ontario Liberals have never supported world oil prices. In the five years since the statement above was released, the Liberals have developed their oil policy further. Last Monday, Dr. Smith described some of it. On oil pricing he said, 'It is crucial that Alberta and the federal government come to a compromise.'"

I could go on to read the entire article, but I simply want to make the point that what we have received from the government is again the forked-tongue approach of accusing us of certain things relating to oil pricing and the federal government of not being able to get along with the government of Alberta, while at the same time as it is being critical it apparently is determined to take advantage of a crisis by adding an ad valorem tax, which would effectively make it guilty, if anyone is guilty in this country, of profiteering.

I am suggesting there is a history of taxation and, it would seem, a history of people being prepared to accept taxation if they can see—even if it is just surviving from day to day—some reason for having that tax imposed. I submit too that the only way we could accept it in my riding or in our party would be to see the funds forthcoming from it placed in programs that would develop alternatives. Again, we do not.

Within this last week, all members of this House received a rather complete document from the federal government entitled "Energy Alternatives." A few moments ago, I made reference to our own party here in Ontario having its energy alternative statement developed a couple of years ago. Both of these are examples of what can be done.

I have to ask the Conservative government here in Ontario why it is not doing something. What is it waiting for? Is it waiting for us, the federal government or some other body to come up with a solution? It has the mandate; what is it doing? When I ask questions like this, either privately or publicly, I am afraid the answer comes back to me a blank.

Let me give a couple of other brief examples to show why I am concerned.

About a year or so ago, the Premier (Mr. Davis) of this province was speaking to a group known as the Ontario Municipal Electric Association, which is coupled with another branch of

utilities called the Association of Municipal Electrical Utilities of Ontario, the professional branch on one hand and the elected people on the other. What the Premier asked—and we were concerned at that time again about energy—was that these people submit to him whatever initiatives they might have to find an alternative for a crude oil product.

It is commendable that the Premier would go out and solicit input, but it comes through as a sort of offhand solicitation, not unlike the Treasurer of the province a few weeks ago stating that he had some concern about Ontario health insurance plan premiums and he would welcome any suggestions that people might care to call in, mail in or fling at him as he walks down the street. What kind of an approach is that to solving problems? To me, it is a slipshod way of approaching major concerns in this province. The OHIP premiums are a major concern. The whole funding of health care is a major concern.

At the same time, the energy crisis is a major concern. What is the government doing about it, aside from applying this tax? The essence of the energy problem facing the developed economies of North America, Europe and parts of Asia is the increasing scarcity of conventional energy supplies.

4:40 p.m.

Canada consumes more energy per capita than does any country in the world. In Canada, we are the major province in terms of population, industrial needs, consumer needs and commercial needs. We have it in spades here in Ontario. One would think our government would address itself to finding solutions to problems of that magnitude. But we are getting virtually no action.

I want to conclude my remarks by going back to the suggestion I made at the beginning. I represent the riding of London North. London proper has a population of more than 250,000 people. The city is fairly evenly split into three ridings. The roughly 70,000 people I represent speak to me fairly regularly. When it comes time to vote, they have as good a voting record as any other constituency in this province. They take elections seriously. As a matter of fact, four years ago tomorrow, on June 9, 1977, they went to the polls and chose to send me to represent them here, because they felt they had someone who could speak on their behalf. They chose to do the same thing a couple of months ago.

Between that first election and now, I have the distinct impression there is growing unrest. It would be easy and partisan to say it is strictly

the Conservative government that is the source of our problems in Ontario, but my people are a little fairer and more perceptive than that. They do not want to lay the blame solely and singularly at the feet of the Conservative government of Ontario, although I think that government has to accept the responsibility for the kind of tax we are getting.

The people I represent see a malaise coming from or originating in a rather insensitive civil service and a political process that has been allowed to go on too long without change and that, for a variety of reasons, has grown to be insensitive to the needs of the people of Ontario.

If we are elected to represent the people of our constituencies, to speak on their behalf and to be part of a party process, we cannot, on either count, let a tax bill like this be introduced without saying to the government loudly and clearly, "Enough is enough." It is profiteering at its worst. If the government needed money, and obviously it does, it should get it by some more direct or more honest tax. It should not be done this way. We simply cannot accept it.

The people of London North are saying loudly and clearly, "We are proud in London North. We are proud to be Ontarians. We are proud to be Canadians. Do not treat us like slaves with this kind of unacceptable tax."

Mr. Philip: Mr. Speaker, I want to address my concerns to Bill 72, because it is a bill that is very much objected to in the riding of Etobicoke. It is a bill that affects the people I represent.

A few years ago, John Bates, editor of *Bus and Truck Transport* magazine, pointed out in that professional journal that energy taxes are one of the most repressive and regressive forms of taxation; they affect the poor and the middle class much more severely than the rich. That same gentleman, when I was speaking to him on the telephone the other day, pointed out to me that he and many other business executives have a way of passing on additional gasoline and fuel taxes to their employers.

In the riding I represent, one of the major industries is the trucking industry. This bill affects that industry in a very direct and immediate way. It means one of three things: Either it means lower profits in an industry that is not noted for excessively high profits; alternately, it means lower wages for those in the industry; or more likely it means higher costs to the shippers, who in turn must pass it on to the consumer. Every time shipping costs go up, it affects in a real way the single parent or the wage earner at the supermarket.

Another way it affects the working middle classes is that it is increasingly difficult or impossible for all but the relatively affluent or those who may have bought their homes some time ago to live in the downtown areas of cities such as Metropolitan Toronto. The Minister of Housing (Mr. Bennett) refuses to admit that, but any survey of the real estate market indicates that is the case. It is those who live in the suburbs of Toronto, such as Mississauga, Peel or Rexdale, who are hit by this particular tax in Bill 72.

They are the people who bought the North American dream, the model, if you like, of the 1971 or 1975 Chev station wagon with the smiling children in the back seat. They are the people who, because of the high inflation and interest rates, are not in a position to buy the more compact cars. So there they are, getting 15 miles to a gallon if they are lucky and being hit in a direct way by this bill. Unlike those in the more affluent areas, they do not buy a car every year or every second year. Unlike those in the more affluent areas, they do not have employers either to supply cars in some cases to write off on expense accounts or to pay for the gasoline they are using. It is those families that are being hit by this bill.

There are no alternatives for the construction worker living in my riding who travels along Highway 401 to work on the job site, which may be in Scarborough. He leaves at 6:30 or at six o'clock in the morning when public transportation to the particular site may be nonexistent; if it is existent, it may take him some time to use, or, if he is carrying tools and other equipment it may not be available to him.

He is in a triple squeeze. He cannot afford to buy a more efficient car at today's interest rates. He cannot use public transportation, because the service is inefficient or he lives and works in an area where public transportation does not go in any easy way, such as if he lives in Rexdale and works in Mississauga, and yet he is the one who is being hit. In addition, being a wage earner but not a corporate executive, he has no way of passing on these extra fuel costs to an employer or to the public through higher consumer costs or to the government through a tax deduction on his income tax.

4:50 p.m.

This bill is not only repressive, it is also hypocritical. As a Toronto Star editorial pointed out—I will read a part of that editorial—"Miller's new approach to taxing gasoline sales is unjustified and highly objectionable. By moving

from a fixed rate to a percentage of the sales price at the pump, the Ontario government will reach deeper into the consumer's wallet every time prices go up. That's inflationary. Pushing up the retail cost of gasoline will only compound the cost-of-living pressures already generated by rising energy prices. It's socially cruel. It will add to the burden of low- and middle-income earners already hard hit by inexorably rising fuel costs. And it's hypocritical. The Davis government has rightly been pressing Ottawa not to allow energy prices to increase at more than absolutely necessary, and now it's raising the cost of gasoline itself to boost its provincial revenues."

It is important for us to understand exactly what this bill does, not only in the short term but also in the long term. The method of tax computation was modified from a fixed rate to a percentage or ad valorem basis. The rate of tax now is set at 20 per cent of the taxable price.

The impact of this Ontario gasoline tax on retail gasoline prices from 1978 to June 1981 is very interesting to look at. On an annual basis, it is estimated that this tax will provide \$135 million in additional revenue. Since the Ontario gas tax now is computed on a percentage basis, the amount of tax will increase and the retail price will rise as gasoline prices rise under the federal energy pricing program.

The Ontario tax will be computed and the price adjusted on a quarterly basis, beginning on July 1, 1981. For example, on June 2, 1981, the federal tax on gasoline increases by 1.6 cents a litre, or 7.3 cents a gallon. This tax simply translates into an eventual increase in consumer gasoline prices of 2.1 cents a litre, or 9.5 cents a gallon, as a result of the additional effect of this measure.

When the Ontario tax is adjusted on July 1, it will add 0.03 cents per litre, or 1.4 cents a gallon, to the retail price of gasoline. It is estimated that this tax increase will generate an additional \$40 million to \$50 million in revenue annually for the provincial government over the original revenue estimate of \$135 million.

Based upon the present schedule of petroleum price increases in the national energy program, the Ontario percentage of gasoline tax will increase as follows: in 1981, 5.7 cents per litre, or 25.8 cents per gallon; in 1982, 6.3 cents per litre, or 28.7 cents per gallon; in 1983, 6.9 cents per litre, or 31.4 cents per gallon; in 1984, 34.1 cents per gallon; in 1985, 36.9 cents per gallon; and in 1986, 41.3 cents per gallon.

Those may be conservative estimates because

when the energy price agreement is reached between Ottawa and Alberta, if that happens, gasoline prices most likely will increase at an even quicker pace. Therefore, what we are forecasting is an even greater rise than the rise I have just quoted.

There are a number of very specific things that we in this party and I, as the representative for Etobicoke, find extremely objectionable in this bill. This tax increase in itself is inflationary since it will lead to even higher oil prices in Ontario than those provided for under the national energy program. This Ontario tax will be computed on top of the federal or Alberta price increases and therefore amounts to a provincial price escalator. Every increase in energy prices further compounds the cost of living to the ordinary people in this province.

Over the past two years, gasoline prices in the Toronto area have gone up at a rate more than double the general inflation rate. This Ontario tax will aggravate future price increases and constitutes profiteering from inflation. This provincially generated oil price increase will undermine the Premier's long-proclaimed campaign against rising prices for domestic oil.

It is easy for the Premier of Ontario to campaign against Premier Lougheed of Alberta and the federal government when there is an election on or an election coming, but it is interesting how he joins these people after the election is over. That is why this bill is so hypocritical.

The Premier has gone for higher prices even though, before the election, he tried to put himself forward as the great saviour of the consumer against those higher prices. That is what this bill does.

Whatever reason the government has for collecting more taxes, this is not the way to go; this is the most hypocritical way and manner the government possibly could have devised. This tax now, and when it is eventually passed by their majority, contradicts Ontario's stand over the last couple of years.

The tax enables the government to collect revenue windfalls from oil price rises. With a new majority and an election at least four years away, the government is using this tax as one means of raising revenues without any argument as to why it should be done in this manner.

This tax is harmful to our parliamentary traditions—my colleague the member for Riverdale (Mr. Renwick) dealt with this earlier—since the Ministry of Revenue will be authorized

to raise gasoline prices every three months without consulting the cabinet or, indeed, reporting to the Legislature.

This government has shown in the last few weeks how arrogant it can be with a majority. But this is an arrogance against parliament, and not against the Liberals and the NDP. It is an arrogance against parliament and the people of Ontario.

The new revenues generated by this tax increase are being used just to retain the status quo and not to finance any major new programs or incentives.

We on this side of the House might have been able to see some reason in this kind of tax had the government come forward with some innovative energy conservation program or if the government had even shown it was willing to tax other sectors of the economy such as the corporations.

This is merely a way of taxing the poor and the middle class and ignoring the others. With this bill, the Ontario government gets more revenue from each gallon of gasoline sold at the retail level than does Alberta. This tax will widen the differential.

This bill would be more acceptable if there were any proof higher prices would somehow promote conservation. The fact is that in case after case of studies in Europe it has been shown that a higher price for gasoline has not in itself promoted conservation.

Seven different studies have shown this in the European experience and, in looking at the experience of the administration of former President Carter and that of President Reagan, there is every reason to believe that is true in the United States.

What makes the government think conservation will be promoted by this tax, at this time, when it has failed in other jurisdictions?

5 p.m.

What makes this government think the construction worker in my riding who must commute to a job site in Mississauga will in any way have any means of driving fewer miles or indeed of not driving his automobile? There simply is no proof of that. I challenge the government to table any study that will indicate that.

During and just before the election, there were attacks on the federal government's energy policy by this government on the grounds that it was taking money out of the pockets of the working people. They even had quotes to that effect by the Treasurer.

Now the government, with its large majority,

instead of keeping on that attack, instead of keeping that pressure up, simply wants to stick its hand in the other pocket.

The Conservative Party, both in Ontario and in Ottawa, has always accused the Liberals and the New Democrats of being the big spenders, the ones who were contributing to the inflationary process.

If we examine the promises made by the Conservative government in the last election, we see who is contributing to the inflationary process. We see who is acting as Santa Claus. Indeed, if we take each year from the Honourable Mr. Robarts on, and look at the amount of money spent through promises and the number of giveaways in the year just prior to an election, we see that it is that bunch over there that acts as Santa Claus.

How hypocritical they are that they talk about the other parties as adding to inflation and then they bring in this bill. If ever there was a bill that will add to the fires of inflation, it is Bill 72.

This government, with this budget and this bill, is fanning the flames of inflation; and it is doing it in a recurring way. They are not happy now just to spend a lot of money the year before an election on whatever, no matter how unnecessary some of these things are; now they want to keep the fires of inflation going by having an ongoing, recurring form of inflation in the form of this tax.

This bill is unacceptable to the people in the riding I represent. It is unacceptable to the small businessman who must drive his truck day after day and who must pass on this cost to the consumers. It is unacceptable to the wage earner who has no way of passing on that cost to anyone. It is unacceptable to the average, middle- and working-class person. It is an attack on these people.

If this is what this government means by keeping the promise, then those are the promises that I hope the people of Ontario will remember in four years' time.

Mr. Ruston: Mr. Speaker, I feel that I must get up and speak against Bill 72. It is one of the most obnoxious bills I have seen before this Legislature and it is particularly obnoxious at this time.

Over the past number of years, the present Premier (Mr. Davis) has spoken about oil price increases and so forth all along the line as though he was supposed to be the champion of those in Ontario who thought we should at least keep a restraint on it.

Of course, we all know what he did over the last couple of years. In 1979 and in the 1980 federal election, in his inimitable way of kind of smiling and being nice to the people of Ontario, he said he was fighting for them to keep oil prices down.

When the famous budget was presented in Ottawa, including the 18-cent tax on fuels of all kinds, he came out very strongly against it and against his party in Ottawa which was proposing the major increase in the excise tax.

I guess he even went so far as to write to all the federal members of the Conservative Party who were sitting in the House in Ottawa at that time to tell them that they should vote against that famous tax.

He brought in this bill after he picked up a majority—by whatever way he got it, and that is another matter, which I suppose I covered at some length in my throne speech. I think he was indirectly letting on to the people that he would keep the promise, that he would keep taxes under restraint, that he would keep his budget under restraint. I am pretty sure people were under the impression from the way he was conducting the campaign that taxes would not be raised.

One can accept an increase in taxes if it is done in a fair and equitable way. We all admit that oil and gas prices are still going to go up because we know about the situation in Alberta, where Mr. Lougheed continues to screw the valve down every three months and puts us all in a real bind so that we have to import more offshore oil and pay a higher price. That offshore price does look a little better now, but it is considerably more than we are paying Alberta. I think Mexico announced a decrease of \$4 a barrel in oil prices last week, and I see that Great Britain just announced a \$2 decrease in the price of its oil on the weekend.

We all know that the price is going to go up under the circumstances of a new agreement they have been trying to thrash out between Alberta and the federal government. In fact, a very important meeting is coming up between the Minister of Energy, Mines and Resources for Canada and the Alberta Minister of Energy and Natural Resources. Some reports are that Alberta's price will go up by about \$4.50 a barrel each year for the next three years. That would bring it up to around \$32 a barrel. It is \$17.50 now.

We have been collecting about 4.4 cents per litre. Under Bill 72, it is raised to 5.4 cents per litre. As the price goes up under the new

agreement with Alberta, whatever it may be, including, of course, the latest price increase last week, the increase of nine cents from Ottawa, it means that at today's price at the pump the new price increase, according to what the bill says, is 5.6 cents per litre for unleaded gas, 5.4 for regular and six cents for premium.

I bought gas on Sunday at 40.4 cents a litre for unleaded gas. Maybe I should not have bought it on Sunday; maybe I should have bought it on Saturday. After I got my tank filled, I figured out that taking the five cents off the 40.4 I paid brings it down to 35 cents odd, and 20 per cent of that comes to seven cents. So since this bill was printed, at 5.8 cents the tax has already gone up 1.4 cents. Of course, the bill was given first reading on May 19. I call this ad valorem tax an inflation tax; I call it a grab on inflation. Our country is suffering too much from inflation now to have such a tax put into effect.

We know that 1980 was the first year in which Ontario has reduced its consumption of gasoline. In 1978 and 1979 we were increasing it by about four per cent a year, but last year we did go down. Most people are aware that the United States has been decreasing its consumption by about two to three per cent a year for the last three or four years.

The Treasurer (Mr. F. S. Miller) is saying if consumption is going down he is not going to have the same amount of money for highway expenditures and whatever else this money is used for. The majority of it is put back in for highway repairs, municipal roads and so forth.

5:10 p.m.

What concerns me is that the government is going to get a considerable increase every three months. It is like the old age pension and the Canada pension that goes up every three months. The government's intake in taxes is going to go up every three months too. We know the senior citizens' pensions go up a certain percentage each three months; now we have the province joining in the inflation cycle. I can envisage the gasoline tax going up somewhere in the vicinity of 60 to 70 per cent in the next three years.

The bill increases the tax from 4.4 to 5.4 cents per litre. I can agree with that much. I know the Treasurer has to find new funds when expenditures go up, and we all accept that. We accepted that in minority government for five years when Treasurers gave a decent reason for raising taxes for certain things. When one tried to put OHIP rates up 37 per cent, naturally we could not accept that. It was too large an increase.

The official opposition led in putting pressure on him and forced him to go back down to about 17 per cent.

That was probably too much too, but at least it was minority government working properly. That is what it is all about. I thought that was reasonable. I would accept the one-cent increase in this bill, but not the ad valorem aspect which increases the tax every three months according to the pump price of gasoline. I suppose it is something the Treasurer is looking at to increase his revenue, but we do not know whether he is going to pass the increased revenue along to the municipalities and the municipal road system.

We have country roads in the county of Essex that were formerly provincial highways. In 1970, the then minister, Mr. Gomme, turned 50 or 60 miles of provincial highways over to the county of Essex, making an additional burden on the county. The roads have still not been rebuilt. Normally, the agreement with the province when it turns a highway back to a county or regional municipality is that the province will rebuild it. In this case, the then Minister of Highways did not do that; he just gave them back to the county and we had to accept them. They are worse now than when he gave them back to us. They are in terrible shape.

If the Treasurer, through the Minister of Transportation and Communications (Mr. Snow), intends to turn this money over to the municipalities to assist them in taking the burden off the local taxes to keep roads up, that is another matter—if we were sure he was going to do that. But we are not sure he will do that; so we have to object in a very strenuous way.

What really concerns me is the mileage a car gets now. We have modern cars now which are much more efficient when it comes to gas consumption. In my own family we have cut our consumption of gasoline by about 25 per cent in the last couple of years by buying cars that are much more efficient in gasoline consumption.

I was talking to a neighbour who has a 1975 model. It has a good-sized motor—it is a heavy car—and he gets about 16 miles to the gallon. He and a neighbour were comparing cars. The neighbor said he was getting 26 to 27 miles to the gallon, but he had bought a new car. That is quite a difference. In my area the average driver drives about 11,000 miles a year. He is going to consume about 440 gallons a year if his car is giving him around 25 miles to the gallon, while another neighbour, who is getting 16 miles to the gallon, is going to consume about 700 gallons. The fellow who really cannot afford to

go out and buy a new car is going to pay considerably more for gas with the higher tax, which puts him down the hole worse than ever.

Probably we could all accept this bill if everybody could replace their old cars bought prior to 1976. I suppose they could maybe handle this tax increase. I say to the minister, who is smiling, that 1970-75 model cars are good cars that stand up and will run indefinitely, though they need a little paint on them. A fellow was telling me the other day about his. He said, "I keep replacing the equipment on it because I can't afford to buy a new one, and yet it uses all that gas." It is very difficult and it costs him a lot of money.

That is why we cannot support the ad valorem system under which we are encouraging and causing inflation, especially when we look at the statements—many of them have been repeated and I do not want to do that—made by the Premier (Mr. Davis) or the then Minister of Energy (Mr. J. A. Taylor), who said on May 11, 1977, "I vigorously oppose any increase in the price of crude oil." Crude oil is gasoline eventually. The government is putting it on right now and adding it to the inflation cycle, yet that was what was said four years ago.

Here is another statement: "The three cents a gallon reduction in the federal government excise tax on gasoline is welcome news," the Minister of Energy said on August 25, 1978. That was Mr. Auld. Energy ministers change over there pretty often. They seem to change about every six to 12 months. Some of them do not last that long. The provincial government was very happy when the federal government lowered its excise tax, but now it is jumping in and grabbing what it can.

The Premier has been a great champion of keeping the price of oil and gas down in Ontario. Of course, we all know that because he has jumped into bed with the Prime Minister of Canada in the last year and a half so that he could float along on his coattails to help him in that. That went along so well that they made a little deal with regard to the constitution. I think that is probably why the Premier is sitting over there with a majority government.

Here is another quote by the Premier on Tuesday, March 4. He said, "We will continue to resist windfall profits for provincial treasurers." Yet he is right into that now himself. Then in another statement in the *Globe and Mail* on December 18, 1979, the Premier said, "In our view, among the disadvantages, it will cause serious financial hardship to keep increasing the price."

There have been a number of speakers talking on this bill and I am trying not to be repetitive, but we know we are in an inflation cycle with the price of oil and gas. Everybody has to admit that. As long as Mr. Lougheed has control of it, we do not have much choice. There is no use paying \$40 a barrel or \$35 a barrel to import oil when there is oil in Alberta. We helped him out back when he first found it in the early days, when we could have bought offshore oil cheaper, but as Canadians we felt we should buy it from Alberta. I still think we should, but they are putting a little bit too much pressure on us now when they start turning down the valve.

This tax in Bill 72 is just not reasonable at this time because of the known inflation cycle we are having with oil and gasoline. It is time all those people who want to be heard got up and spoke on this bill and, in any way they can, they should stop it from being passed, particularly the ad valorem percentage. I have no objection to the increase of one cent a litre, but I cannot accept the ad valorem situation where it is tied to inflation.

5:20 p.m.

Mr. Samis: Mr. Speaker, I rise to speak on this bill because I think the people of Cornwall riding are quite typical of people all across this province. They are essentially fair and reasonable people. Their expectations were that the budget would have those same two basic characteristics, namely, fairness and some sense of reasonableness. The greatest failing of the budget in general, and this gas tax in particular, is the essentially unfair and regressive nature it represents.

It is bad enough to increase the personal income tax for a family earning between \$15,000 and \$25,000 a year to the highest level in all Canada. It is bad enough to increase OHIP premiums, which are already the highest in all Canada and double our next highest province, by yet another 15 per cent. It is bad enough to increase the alcohol and tobacco taxes once again. It is bad enough to let the corporate sector off virtually scot-free in terms of tax increases, those poor, unfettered, little creatures like Argus, Imperial Oil, Denison Mines, Seagram's, Dosco, Dominion Stores, et cetera. It is bad enough that the corporation tax, as a portion of the total tax dollar, has declined from 17.7 per cent in the 1960s to a miserable 12 per cent in this budget.

It is bad enough that this government places an excessive emphasis on sales taxes of all sorts

as an ever-increasing source of revenue. It is bad enough that this budget will decrease the overall purchasing power of Ontario's taxpayers. It is bad enough that the feds are increasing their gas tax. We are all familiar with last week's two-cents-a-litre increase tacked on, with further increases looming this summer and later on this fall.

It is bad enough that we have all those things contained in the budget. Now we get an increase in the gas tax, which I suspect most people were probably expecting, but the introduction of the nebulous ad valorem principle is something most voters in Ontario would reject. I would dare to say that if we ever took a plebiscite or referendum on the ad valorem principle, it would be overwhelmingly rejected by the electorate.

Good old John Crosbie, a pretty salty fellow from Newfoundland, characterized the budget rather accurately. He said, "It is a pretty grim concoction, and I can only commiserate with the people of Ontario."

It is interesting that one of the government's staunchest supporters in the Toronto media, the Toronto Sun, had a story on May 22 dealing with the budget and more particularly, the ad valorem gas tax. The headline was, "Our Tories Join Robber Barons." When a Tory rag feels compelled to put out that kind of headline on a story, it usually indicates the general feeling in the province about the ad valorem principle.

Obviously, it represents a tremendous amount of hypocrisy on the government side. We can recall for the past few years both the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) preaching to us in the opposition, to the electorate, to people at large, to business and to labour about the need to practise restraint and combat inflation. Inflation is the number one economic problem facing our economy in Ontario and, therefore, we had to practise restraint and oppose any increase of any substance from Alberta, which wanted to move towards world price for its oil.

On October 17, 1979, the Premier denounced the tax increases on gasoline that were contained in the Crosbie budget and called it "a wilful attack on individual consumers and the general economy of Ontario." That is pretty rare for the Premier of this province. The Treasurer subsequently delivered a 16-page speech that was widely publicized by the Liberals in the television ads for their subsequent federal campaign. They were attacking the federal Tory government for the tax increases

contained in its budget, saying they were unfair and would cause undue burdens for Ontario's economy, its manufacturers and consumers.

The Premier and his colleagues have done battle with Peter Lougheed, another Tory, for the past two or three years over what they regard as the inflationary impact of the various price increases he is proposing and seeking from the federal government. Now with this ad valorem gas tax, we have a government in Ontario that is piggybacking on to every one of Premier Lougheed's increases and even making a profit of millions on the Alberta policy of cutbacks in oil production. We saw that last week. If there are further cutbacks looming in the fall, this government will then profit even more.

This government intends to make a profit on every single future oil price increase Premier Lougheed gets. It will make a profit on every future increase obtained by the oil companies, and we all know there have been enough of them in the past and that there will be lots more to come to fill their coffers. This government will make a profit every time the federal government increases its tax on oil and thus on gasoline prices. The ad valorem tax represents indexed taxation, pure and simple. The ad valorem tax means this government has created a vested interest for itself in inflation.

This tax undermines the government's position with regard to wellhead price increases by Alberta. How can we challenge the increases when we are now going to profit from every single one of them. What hypocrisy! It is ironic that Ontario drivers are beginning to reduce their consumption of gasoline in 1981 compared with the previous year. Because the government's revenues apparently increased by only about \$10 million compared to 1980 and 1979, I wonder if it is pure coincidence that the minister developed a sudden interest in the ad valorem principle.

Here we are preaching to drivers to reduce their consumption, to buy more energy-efficient cars and to reduce unnecessary driving. Seemingly, belatedly, finally, we are getting some sort of response from the motoring public and, wham, we hit them with the ad valorem tax.

I know the minister will argue that Ontario is not the first province to introduce the ad valorem principle. To me, that does not justify the imposition of ad valorem taxation in Ontario, and I am sure few motorists or taxpayers in this province would be persuaded by that argument. If we followed that, we would say we would abolish Ontario health insurance plan

premiums since we are one of the final three provinces still retaining premiums. Yet they do not buy that argument on that side.

The ad valorem principle means a diminution in the role of legislators to approve and reject tax increases by this government. It is not quite taxation without representation, but it certainly represents a major change in the manner in which taxes are legislated and calculated in this province.

It is rather interesting that prior to the introduction of the budget the Ontario Motor League put out a couple of press releases talking about the federal ad valorem tax increase and the burden that constituted for the motoring public of Canada. I would like to quote briefly from one of those.

"A change in the federal sales tax on gasoline from a specific unit tax of five cents a gallon to a nine per cent ad valorem rate will have cost Canadian motorists an estimated \$213,820,000 this past year, an increase of 62 per cent more than the year before, according to the Windsor Auto Club."

The federal government changed its sales tax structure on April 22, 1980, as we are all familiar with. The press release goes on to say, "It is expected the feds will have collected, as a result of the ad valorem tax, \$556,470,000, an increase of 62 per cent." They say it is "a totally unjustified additional burden on motor vehicle owners. The federal government did not apply the ad valorem tax rate in previous years and the price of gasoline was relatively stable. Now it is taking advantage of the rising gasoline prices to escalate its revenue at an ever-increasing rate without appearing to be inflationary in fiscal policy, according to Doug Ainslie.

"As far as the auto club and the Ontario Motor League are concerned, an increase in taxes in this fashion without any address or publication of changes, as under the old rate, is akin to taxation without representation. By the end of this decade, the amount of the federal government's revenue through the new ad valorem sales tax will be more than \$1.3 billion annually added to the cost of gasoline. The Ontario government has indicated in the recent past its opposition to rapid and excessive increases in the price of oil."

5:30 p.m.

Ironically, this was all said prior to the budget. Here they are talking about the imposition and the cost of the federal ad valorem tax. Interestingly, they went on in another press release to talk about the overall structure of

taxes in Ontario and what it means to the motorist versus the nonmotorist in the general public. I quote from that release as follows:

"Ontario motorists are paying between 25 per cent and 35 per cent more in motorist-related taxes than is equitable, according to tax data submitted to the government recently. Currently," the Ontario Motor League report indicated, "motorists pay about 100 per cent of all motorist-related expenditures of the provincial government. This is contrary to the recommendations of the Smith report of 1967, commissioned by the provincial government." That Smith report acknowledged that highways and other motorist-related activities of the government also benefit property owners, retailers, industry, the general public and tourism. "Because of this," the Smith report said, "motorists should only pay between 65 per cent and 75 per cent of the annual direct road expenditures."

Further on the statement says: "Our analysis shows that even by applying the maximum 75 per cent proposed by the Smith report the province collected excess revenues from motorists of \$243 million in 1976, another \$225 million in 1977, \$258 million more in 1978 and \$260 million more in 1979." That is more than \$1 billion more in just four years.

Then they go on to talk about the fair-share principle I enunciated. I will wind up with this quote: "The OML did not ask for a reduction in the motorist taxation. Instead it asked the government to increase expenditures." Then they bring out further statistics in the brief. It says: "69 per cent of all automobile mileage according to Transport Canada is for travelling to and from work, for commercial travelling, personal business, shopping and external business. Even the remaining 31 per cent of automobile travel for recreational weekend trips and vacations shows how essential the automobile and good roads are today."

Obviously, there is a burden involved in the regular system of taxation. With this ad valorem system, it is going to mean even more.

We are all aware of what the federal government has introduced, and it seems to be sticking to its guns. I refer to the national energy program. One of its basic premises is that there will be minimum price increases of \$4.50 per barrel in 1981, 1982 and 1983. Who knows what will happen after that. Inevitably, that means the gas tax will increase for the motorists of Ontario with each one of those increases.

This does not include increases in prices imposed by the oil companies, and we all know

their voracious appetites for profits. This bill allows the provincial government to piggyback not only on Mr. Lougheed's increases, but on the regular increases being imposed by the oil companies.

The ad valorem gas tax means an increase on oil of approximately 77 per cent in terms of taxes between now and 1983. The average family's gas tax payments will be increasing from \$138 last year to \$168 this year, to \$218 next year and \$244 in 1983 as a result of the ad valorem gas tax increase. I would suspect those figures are rather conservative because we do not know what sort of increases the oil companies will be imposing beyond the wellhead price increases. That could increase those figures. From 1981 to 1985, even using those conservative figures, the consumers of Ontario will be paying over \$2.5 billion in gas taxes. Here we are with an inflation rate of 12 to 13 per cent, and without any doubt whatsoever this tax will only mean higher prices and add to that inflation rate for the residents of Ontario.

Truckers obviously will be paying more for diesel fuel. Inevitably, the cost of trucking and transporting goods will be passed on to the consumer on a whole host of items. That will be connected with Bill 73, which we will be discussing later on in this session.

These ad valorem increases will serve to fan the fires of inflation in Ontario and only serve to increase the legitimate demands of workers all across Ontario. This is especially so in northern and eastern Ontario where the distances between home and work tend to be far greater than those in Metro Toronto, for example.

The gas tax, combined with all the other taxes imposed on the ordinary man and woman by this budget, will serve to exacerbate labour relations in the province as workers fight to at least keep up with the inflation rate, if not ahead of it. The government tells the people it had a revenue shortfall of \$600 million in its effort to keep the deficit under that magic \$1-billion figure.

As I said, I think people were prepared to accept some form of higher taxation in the budget. But they ask: "Why the gas tax? Is gas really in the same league as alcohol or tobacco? Is gas not an essential in today's society and in today's lifestyle, especially for certain classes of people?"

If we were going to impose added taxes on gas, the consumer obviously would ask, and has asked, why do we not tax the oil and gas producers, instead of just the consumers?

My colleague the member for Algoma (Mr. Wildman), our able critic for the Treasury, outlined in his response to the budget a whole series of areas that could be taxed in lieu of the ad valorem gas tax. I will refer briefly to three or four of those.

When one talks about oil companies, inevitably that leads to the question of oil profits. M. Bertrand, who published the controversial report last year, concluded that the oil companies were gouging the consumers of Canada by somewhere in the realm of \$12.1 billion in the period 1958-73, which works out to an average of approximately \$500 for every person. If one did that on a population basis here in Ontario, it means our residents were overcharged by \$4.3 billion.

Imagine what that figure would be today, considering the skyrocketing oil price increases and profiteering by the oil companies since 1973. And that does not even take into consideration the whole series of revelations by the late David Lewis on corporate welfare by the oil companies—Shell, Imperial and some of the others—or some of the depletion allowances for exploration purposes in the north.

Mr. Philip: Just read Jim Laxer's book and see the exposé of them.

Mr. Samis: That is right. But this government just will not touch those profits. Instead, they have decided to jump on the bandwagon themselves and tax the very people who are paying the ripoff prices.

Another area we could look at is the whole question of tax concessions. This government has a retail tax exemption on production machinery and equipment combined with a fast write-off on corporate taxes for machinery and equipment. That cost the taxpayers of this province somewhere in the vicinity of \$345 million in lost revenue in 1980.

There is another area where the taxpayers of this province last year gave away more than \$100 million of their money to put 850 workers in this province out of work. I am referring to the grants to the pulp and paper industry. Here we are giving money away to corporations at a time of substantial profit and in a few cases even record profit.

The study at Lakehead University clearly indicated many of the companies did not even need the money in the first place. The vice-president of Spruce Falls Power and Paper was very explicit about it, in fact.

The end result was that we gave away the money, and in the next few years we will have

created a loss of 850 jobs with all the benefits of the companies paid for by the taxpayers of this province.

I notice my colleague quoted from Professor Bird of the University of Toronto, who strongly disputed any argument that there were any benefits involved and that these plans would not have gone ahead without public subsidy in the first place.

We would also offer alternative sources of revenue. Someone might say, "If you do not increase the gas tax, where are you going to get the money from?"

Mr. Nixon: Tax Inco. Why not?

Mr. Samis: We are more catholic than that. We will not single out one particular Presbyterian corporation.

First of all, we would end some of the exemptions and fast write-offs for production machinery and equipment. That would recoup \$340 million.

Second, if we were to re-establish succession duties on the top three per cent of estates, that would recoup \$50 million for us.

If we were to tax the untaxed portion of capital gains, we could recoup \$315 million.

If there were to be just a one per cent increase on the corporation tax, not just for Inco but for all corporations, that would recoup us \$82 million.

If we were to tax the resource industries at the same level as in Saskatchewan, in terms of metal and nonmetal industries, that could recoup us up to \$450 million.

All those are excluding such a possibility as an excess profits tax on banks, which I think would be eminently feasible and worthy. The leader of this party, I think it was three weeks ago, asked the Premier whether he was prepared to do so, and once again—just like the oil companies—the government would not dare to touch the profits or the profiteering of our chartered banks.

5:40 p.m.

Another possibility would be the imposition of a land speculation tax, which would serve a variety of useful purposes in addition to increasing the revenue of the government. If necessary, another option could be a surtax on certain high income levels.

But no, consistently this government has refused to hit the oil companies, the speculators and the banks. They have rejected all these alternatives and imposed an ad valorem tax, which is a sneaky way of getting the average

man and woman for the next decade and decades to come—who knows when it will ever end.

The government rejects those alternatives and resorts to uneven, unfair and regressive forms of taxation such as this indexed, inflationary ad valorem tax.

I know the good people of the riding of Cornwall, if they had a chance, would reject this form of taxation immediately as unfair and regressive. As their representative in this House, I intend to cast my vote against this nebulous and unfair bill.

Mr. Nixon: Mr. Speaker, there are many points that have not been fully covered in this debate as yet. I certainly do not intend to put forward an extensive review, but I can tell members that the constituents I have the honour to represent are unanimously opposed to a tax of this type. It is seen as an irresponsible approach to the costs of energy and one that my constituents find almost unbelievable.

When we look at the budget predictions of the Treasurer as to the additional revenues the tax is expected to raise, we see almost at once his predictions are out of step with reality as the cost of gasoline—the price at the pump—goes up even faster than he and his cat's-paw in this particular instance would expect.

I realize the Treasurer has an elaborate procedure of pricing the gasoline for tax purposes, but I know he will be interested that at Earl's Shell Service Station in St. George, Ontario, the unleaded gasoline of the standard type is 40 cents a litre.

Hon. Mr. Ashe: Ripoff.

Mr. Nixon: Well, Earl has got to make a living too. The minister says that's a ripoff. I was just saying to the minister that now he has been elevated and drives around in that big car with somebody buying the gas for him, he is in a position to buy those \$500 suits we see him wearing in the House since his position has improved. He used to get three for \$100 from Tip Top, but that is a little different now.

Mr. Philip: I bet Earl will never vote Conservative again.

Mr. Nixon: We will see. But certainly the prices have gone up more quickly than the Treasurer had estimated, or at least than he had estimated for public consumption. I am sure he is aware, as we all are, that if we look into the future we can see additional substantial increases in the cost of gasoline, and these will be additional windfalls to the Ministry of Revenue.

I regret that approach has been taken, and that is going to be the basis of my remarks. Just in passing, however, I feel I should bring to the members' attention my concern as well with another sort of a ripoff that we have all been subjected to over the last five to eight years since unleaded gasoline was dreamed up.

If there was ever a silly approach taken in the provision of energy for automobiles, it was unleaded gasoline. I am not sure that I can even explain why it took place, but I suppose we can blame General Motors ahead of almost everybody else, since they decided that, to meet the more stringent pollution requirements of the government of the United States, they had to introduce this fancy catalytic converter that will not work if there is lead in the gasoline. The little platinum beads or whatever they have in that tin can at the bottom will not function if they are exposed to lead.

There are even people using General Motors cars and others that now require unleaded gasoline who tell me their automobiles work very well with the cheaper gas, the standard gas with tetraethyl lead added. It is a little difficult to get into the tank, of course, because the hole is artificially restricted and one needs a special kind of adapter or something like that; a good can opener would probably be sufficient.

But I regret the fact that the cost of fuel took such an unnatural leap because of the acceptance of the approach to unleaded gasoline as fuel. Because of that additional cost, three or four cents per litre, or perhaps more, and the ad valorem impositions the minister is supporting—with all his supporters—the citizens of this province are required to make large and substantial additional payments.

I should also say something about the imposition of gasoline tax on the farm community. I normally look up the report of the Ontario committee on taxation, reporting in 1967, when new tax bills are put before us. I usually find its recommendations quite interesting.

This is one of the few instances where the recommendation is not just what I would have liked, since the late Lancelot Smith, the chairman of the committee, advocated putting a sales tax on the basic gasoline cost plus fuel tax—fuel tax first, before the sales tax.

Lancelot Smith was recommending what was essentially an ad valorem tax back in 1967. The minister is delighted at that, of course. But I should tell him that Lancelot Smith was also the father, mother and originator of the regional government concept. So there are instances

where his recommendations have not been universally accepted by the taxpayers or the good citizens of the province even in the area the honourable minister represents.

If we could just get the voters down there to really think about regional government, Mr. Speaker, neither you nor your colleague the Minister of Revenue would be in public life—something ardently to be desired.

But in looking up the references to gasoline tax, I was interested to read that the first provincial gasoline tax was levied not in Ontario, but in Alberta. That is quite a coincidence, since Alberta is the only province that does not have a gasoline tax now. It was back in 1922, and I believe they got the bright idea from the state of Washington or somewhere that putting a few cents on a gallon of gasoline was a good revenue producer.

In many of those areas, of course, the revenue from the gasoline tax was directly earmarked for expenditure on highways and road maintenance, capital and maintenance. I am very glad we have not done that here. I do not believe that any of our revenues should be earmarked, whether from lotteries or any other source.

I have often felt that even in the instance of our lotteries, and I know the Speaker will permit me this very brief diversion, it is not a good thing to have those moneys allocated for a specific purposes, worthy though the purpose may be.

I believe that gasoline tax and other revenues should all go into the consolidated revenue fund, and basically it should be the decision of His Honour's advisers to determine how the money is spent. Then in a responsible system, the people know who is to blame and, therefore, who to vote against. Sometimes that is a lesson opposition people ought to concentrate on more than any other.

I believe that our present tax system, particularly with the involvement of the government of Canada, is basically misleading. A large amount of our provincial revenue is collected in Ottawa and comes to us, no strings attached, so that the honourable ministers can bring forward their programs in welfare and whatever else, build roads, open up another William G. Davis High School, or something like that. Actually, these are paid for in the overall budget to the extent of well over 40 per cent by the poor downtrodden government in Ottawa, which is the subject of so much ill-founded and ill-advised criticism by the people opposite.

The gasoline tax, beginning in Alberta, was soon adopted and adapted, since they made it a

bit bigger in Ontario. The farmers have gone through phases when they were exempt and some times when they were not completely exempt.

5:50 p.m.

There is one area that I want to bring to the members' attention, because I have always felt that there was a needless bureaucracy involved in collecting the tax from the farmers and then having them throw out a form requiring and requesting the repayment of the tax by the gasoline tax branch.

I have never been over to see those people. I feel they are always quite efficient, although I made a little error in my last application for a rebate: I sent in the same receipts twice. Believe it or not, they did not give me the money; they only gave me part of it. I never got around to figuring out why they even gave me the part if it was a complete duplication. I do not know if there is anybody here from the refund branch or not, but I may get a call from them in the near future asking for that extra \$42.71.

It seems to me needlessly bureaucratic and wasteful if the farmer is required to shell out the tax and then at specific periods of time to very carefully fill out an application with all the invoice numbers and all the invoices fully receipted and send it back to the government for repayment. I must say that they are very careful about that, and I am sure they should be careful in that procedure. They must have a large staff that is required to do this.

I should point out that it was only for a brief period beginning about July 1943 that the procedure was abandoned and the farmers were registered. If you were a registered farmer, the gas was put into your tank and you did not have to pay the gas tax. What could be more reasonable than that? I am glad to tell the members that it was one of the many progressive orders in council established by Premier Harry Nixon during his brief tenure.

At that time there was also a procedure whereby the gasoline was coloured purple; it was a heavy purple colour, just like that spray stuff that not everybody has seen coming out of those \$100 cans into the spray tanks. Heaven help you if you were ever found with purple gas in your carburetor. Fortunately, in our family there was never any danger of being caught. But I have heard other farmers say the purpleness could be extracted by pouring the gas through a

loaf of bread the top and bottom of which had been sawn off. Then the bread toasted afterwards was quite good.

The Deputy Speaker: This has much to do with our present tax.

Mr. Nixon: It certainly has everything to do with the gasoline tax, because, as the members know, we are going to be debating another bill equally important but with an entirely different set of principles involved, having to do with motor vehicle fuel.

In this instance I can call up my friendly British Petroleum dealer; he can bring in the diesel fuel and he does not charge me tax. I put that in my tank, and it will certainly work very well in an automobile if anybody were even thinking of breaking the law and putting any of that fuel in a diesel car.

In the budget statement and in the bill the minister says they are going to colour middle distillates, whatever those are, and they are going to colour them purple, exactly as they did in the bad old Liberal days. I just wonder what will happen if you strain that stuff through a loaf of bread with the top and the bottom cut off.

It does not seem to be consistent. Certainly I believe that, if the minister were going to do something that might mitigate the political difficulties he is experiencing with the imposition of this unpopular tax, he might very well have told those people who are exempt from the tax—not just farmers but those who are totally exempt—that they can be registered and the fuel that is delivered to them will be tax-exempt.

If there is any point in my talking about the purple it is probably that it was a waste of time colouring it then and it probably still is now. I do not know whether the minister has considered that. I am sure he should. I do not know how many people in the gas tax rebate office are hired to look after all those applications, but it seems to me the administrative saving would be considerable. I am sure there would be some reasonable way of sampling cars so the coloured fuel would not be used in an illegal way.

Laws such as that are sometimes broken; for example, the liquor laws. The honourable member is now the welfare minister not the minister of liquor, but I notice he is paying attention to my comments and rolling his eyes as is his wont, expressing his views on the points I am making.

When I look at the situation with regard to the colouring of fuel, I simply want to make the strongest point I can to the minister that we have experienced in the past the exemption of farmers. Certainly the fuel used on the roads for

the running of cars and trucks should be taxable on a fair and equitable basis. We would save money and we would make a law like this much more acceptable than it would otherwise be.

I also want to talk about the impact of this additional tax on the economy of the province. From my own experience in the House the Premier, beginning with the Organization of Petroleum Exporting Countries cartel situation in 1973 and with every change in the price of crude oil resulting in changes in the price of gasoline and diesel fuel, usually would get up and tell us how many jobs were lost in Ontario by each increase in the cost of fuel.

Actually, the total revenue increase predicted by the Treasurer is more than \$600 million. Not all of that is attributable to the gasoline tax, but a substantial amount is. I cannot help but remember the statements frequently made by the Premier and the then Treasurer, Darcy McKeough—who also went through a phase when he was Minister of Energy as he was coming through for his second incarnation as Treasurer—when the predictions of the number of jobs lost were always carried in red headlines in the *Toronto Star* and by whatever means they use in the *Globe and Mail* when they want to

emphasize things. They would always be directed against the government in Ottawa which was simply doing its best in a fair and judicious way to meet the needs of the citizens of Canada.

With the Tories in Alberta raising the price and the Tories in Toronto picking away at the policies of the government of Canada, it was difficult for the government of Canada in those circumstances to be seen to be fair and judicious by everyone who was observing the political situation.

I would not think the Premier and Mr. McKeough were simply playing rather cheap, third-rate politics in those days by listing all the jobs that would be lost in Ontario as the overall cost of fuel went up by each \$1 million. Now, with one fell swoop in this piggyback arrangement of an ad valorem tax, if what they said then was true, we must be losing jobs now just at a time when the level of unemployment is as serious as it is.

I see you are eyeing the clock, Mr. Speaker. Might this be a convenient time for you to dismiss us for dinner?

The Deputy Speaker: Yes.

The House recessed at 5:59 p.m.

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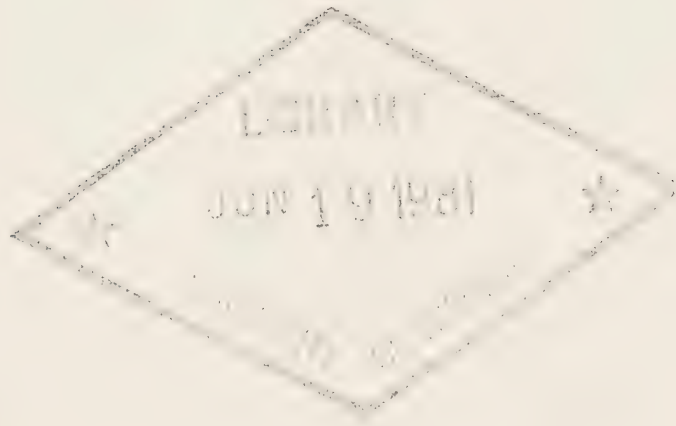
Ontario

LEGISLATIVE ASSEMBLY

No. 40

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, June 8, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 8, 1981

The House resumed at 8 p.m.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act.

The Acting Speaker (Mr. Cousens): Mr. Nixon had the floor. I am looking for Mr. Nixon.

Mr. Wildman: It was not my turn, but I want to speak.

The Acting Speaker: I recognize Mr. Wildman.

Mr. Worton: Could we have a quorum call, please? There are not 18 members—

The Acting Speaker: We do have a quorum.

Hon. Mr. Gregory: If the members opposite are going to ask for a quorum call, they should first count to make sure there is not a quorum.

Mr. Wildman: Mr. Speaker, I want to participate in this debate and to express, along with my colleagues who have already spoken, our sincere opposition to this bill.

As the government whip may know, a number of members of all three caucuses, particularly the opposition caucuses, have already participated in this debate on Bill 72 and have expressed their concerns about the government's approach to gasoline taxation in Ontario.

I want to express my agreement with the concerns expressed by those people who have spoken in this debate, especially about the ad valorem aspect of this legislation.

The thing that bothers me most about this legislation is the fact that the government has chosen to ignore the many statements that have been made by the Premier (Mr. Davis), the Treasurer (Mr. F. S. Miller), his predecessor and various Ministers of Energy in this House, in Alberta and in Ottawa about their opposition to increases in gasoline taxation and energy taxation in general unless there is a genuine effort to redistribute the revenues.

There have been a number of statements made that this government is opposed to increases in the price of gasoline unless that increase is somehow related to the cost of production. Frankly, I agree with that position.

Ontario could accept gasoline and oil price

increases if those increases could be shown to assist in the exploration for new energy sources and the movement to self-sufficiency in energy in this country, to lessen our dependence on foreign sources of oil. But no, this government suddenly has abandoned that position on behalf of Ontario and the consumers of this province and has moved to an ad valorem tax system.

Ironically, in the few weeks since the budget, it has been shown that this approach will provide the government with far more revenue than even they anticipated when the budget was brought down.

Mr. Brandt: They are learning from Saskatchewan.

Mr. Wildman: In response to the interjection, I wish the government would learn from Saskatchewan in certain areas. This government says it is copying Saskatchewan and other provinces in bringing in an ad valorem tax. Is it not interesting that they are so selective? They have not copied Saskatchewan in eliminating health insurance premiums. Oh no, they would never do a thing like that. They would not want to do that.

They have not copied Saskatchewan in terms of revenue from metal and nonmetal resources, other than gas and oil. They could have increased the revenue to this province's coffers by \$450 million this year if they had copied that example from Saskatchewan. But no, what they would rather do is rip off the consumer for gasoline prices and continue to increase Ontario health insurance plan premiums and continue the tax break to the corporate sector. Yet, somehow, they are learning from Saskatchewan. All I can say is they are awfully darned slow learners.

Mr. Gordon: In the year of the handicapped this is what we get.

Mr. Wildman: The year of the handicapped?

Hon. Mr. Gregory: Are you a slow learner, Bud?

The Acting Speaker: Order.

Mr. Wildman: I may be a slow learner, but I tried to learn from the comments made by this government in the past to understand their policy and their policy formation. I have looked at a speech that was given in this Legislature by

the Treasurer of this province on December 13, 1979.

Mr. Gordon: You have to go back a long way.

Mr. Wildman: I could have looked at other speeches, but I found this one particularly interesting. In this speech, the Treasurer was talking about gasoline and fuel pricing—

Mr. Gordon: What year were you elected again? Just so we can go back and get it right.

Mr. Wildman: I was elected a long time before my friend was, and if he keeps that up he will not be here as long as I have been.

Mr. Gordon: Is that right?

The Acting Speaker: Order.

Mr. Wildman: Before I was rudely interrupted—

Hon. Mr. Gregory: You will be a nonparty next time.

The Acting Speaker: Carry on, Mr. Wildman.

Mr. Wildman: I am being interrupted very rudely here, Mr. Speaker. I do not know why they are interrupting. I do not know why they do not want to hear the comments made by their own Treasurer. Surely they are interested in what the ministers of the crown from their own political party have had to say in the past about gasoline pricing and taxation.

Interjection.

Mr. Wildman: In other words, things that have gone in the past do not apply now? I think it was Nixon who used the term “inoperative” for comments that were made in the past. Is that the approach this government uses?

8:10 p.m.

Mr. Piché: Which Nixon?

Mr. Wildman: President Nixon, not the member for Brant-Oxford Norfolk (Mr. Nixon). Much as I have accused the Liberals of being things in the past, I would never accuse them of being allies of President Nixon. I would only refer that to the Conservatives on that side.

Interjections.

The Acting Speaker: Mr. Wildman has the floor. Please give him your attention.

Mr. Wildman: I wonder where they ate supper this evening, Mr. Speaker.

At any rate, I was going to quote from the speech made by the Treasurer. At that time the Treasurer was talking about increases in taxation. He was talking about a budget that was introduced by the Conservatives in Ottawa when they were the government in Ottawa. He

was opposing the proposed excise tax being introduced by the then Prime Minister, Joe Clark.

He said the policy that was being introduced by the Conservatives in Ottawa ran against the traditions of taxation established in this country. He said: “As members know, the original purpose was to subsidize higher costs of imported oil used in eastern Canada,” and for that reason the people of this province could accept increases in taxes.

What alarmed the Treasurer at that time was he perceived that the purpose of increasing taxation on fuel at the federal level was not to subsidize fuel costs in eastern Canada for imported oil or, for that matter, to increase production in western Canada, but rather to increase revenues to the federal coffers to deal with the budgetary deficit that the federal government was experiencing at that time.

The Treasurer argued that was against the traditions of fuel taxation in this country. Fuel taxation was not perceived to be a way of raising general revenues, and it should not have been used in that way. He went on to deal with the provincial traditions in terms of gasoline and fuel taxation. He stated: “These fuels are subject to provincial gasoline and diesel taxes.” Then he went on to say these taxes were “more than compensated for by the heavy provincial subsidies for public transit.”

In other words, he was saying that provincial taxation on fuel and gasoline was compensated for by the provincial government’s attempts to encourage mass transit, which I am sure we all support in this House, because it is a way of attempting to limit our dependence on oil, to conserve the energy we have, and to prevent overuse of the private automobile. For these reasons we could accept increases in taxation at the provincial level.

My question in regard to Bill 72 is whether this government really intends to increase its subsidies to mass transit commensurate to the revenue that is going to accrue from this new ad valorem tax. Frankly, I doubt it.

However, considering what the Treasurer said about it being the traditional way of dealing with taxation in this province, that must be what it is for, because he said provincial fuel taxes were justified by their subsidies to mass transit.

If this government is indeed intending to increase its expenditures on mass transit in relation to the increases it will have from this new tax, then that is laudable. But there was nothing in the Treasurer’s budget to indicate

that. In fact, the Treasurer talked about the increase in revenues to the provincial Treasury, which was completely different from the statement that was made in December 1979.

I do not think I have to repeat that in 1979 the Treasurer made a statement that he was opposed to increases in fuel taxes if they were only intended to increase revenue. That is what he said. He was opposed to it. He said it was not part of the tradition of taxation levied on fuel in this country.

Mr. Gordon: You do not want to talk about where the money goes, do you?

Mr. Wildman: We know where the money goes. The money the Treasurer is raising in this budget, \$603 million, is to try to keep his deficit below \$1 billion. That is what he is attempting to do. He is doing a lot of things. He is increasing fuel taxes. He is going to an ad valorem tax. He is increasing OHIP premiums. He is increasing the income tax across the board.

Mr. Piché: Part of that goes for northern support grants.

Mr. Wildman: The member for Cochrane North does not understand that there are other ways we could raise money to increase the northern support grants.

We might even get more revenue from all the resources that are taken out of northern Ontario and shipped out of this country without any jobs for the people in this province, much less in northern Ontario, in processing.

But no, this government cannot do that. Instead, it has to tax the ordinary individual, the ordinary family, to make up for the fact that it is not getting the revenues it should be getting from the other sectors.

Mr. Gordon: Did you come across in a canoe?

Mr. Wildman: Across in a canoe? What is that member? A latter-day Grey Owl or something?

We all know the purpose of this tax grab; that is what it is, a tax grab. It is to increase the revenues of this province by about \$135 million. With the changes in the pricing of gasoline since the statements by Mr. Lalonde and Mr. Leitch, there is going to be \$40 million to \$50 million on top of that as of July 1.

Also, we know that because of the federal government's national energy program there are going to be increases of about \$4 a barrel each year from now until 1983. The purpose of an ad valorem approach to taxation is to ensure that this government grabs a bit of the action and gets on top of that increase to ensure the revenues of this province are increased.

The Treasurer indicated in his statement that this was an inflation period we were in, that this is a budget dealing with inflationary times and that we had to admit that. One might have thought the thrust of the budget somehow would have been designed to ensure we were doing something about inflation; that we were somehow going to protect the consumers and provide more confidence to the business sector which the Treasurer talked a lot about in his budget.

The government, he said, was taking action to limit inflation. Certainly from the point of view this government has expressed in the past, that is its approach. They are very concerned about inflation; they wish to bring it down, they want to protect the consumer so he can purchase goods and they want to protect the business community so they will be able to compete.

Surely then this government would be interested in limiting inflation. The Treasurer in his budget statement did admit that the average wage earner in Ontario in the last couple of years had lagged behind inflation with his wage increases. Although he admitted that, what did he turn around and do? Instead of trying to stop inflation, instead of living up to all the statements that have been made by the Premier and the various ministers of the crown over the last few years about fuel prices, he turned around and said, "Well, let us add to it."

8:20 p.m.

The government seems to have given up on the fight against inflation. They have said: "We are living in inflationary times; somehow we have to be able to adapt." So we adapt to inflation simply by saying: "Go with the flow; let us go along with it." Not only do we go along with the inflation we now have built into the system because of the policies of the federal government in Ottawa and the provincial government in Alberta, but also he is saying, "Let us compound it; let us have more inflation."

It is not enough to have the inflation that is being imposed on us by the policies of the federal government and the provincial government in Alberta, or for that matter by the private sector, by the oil companies. That has been one of the main bases of the inflation we have had since the mid-1970s with the OPEC increases in oil prices at the world level.

Mr. Gordon: Has the member never heard what Pierre Elliott Trudeau has said? It is a worldwide problem. Does he not understand

that? He should talk to his colleagues on the other side; his colleagues here can explain it to him.

Mr. Wildman: I do not support Pierre Elliott Trudeau. Mr. Speaker, why does he want me to defend Pierre Elliott Trudeau?

The Acting Speaker: Order. Carry on, Mr. Wildman.

Mr. Wildman: I do not understand. Why does he want me to defend the federal leader who fought against the same 18-cent-a-gallon excise tax that this government fought against, and who then, after he got into power, increased gasoline prices by even more than the Tories would have done if they had remained in power?

Why does he want me to support that kind of government? They are one and the same, that group there and that group over here. They are all the same. One of the things I found most amusing was—

Interjections.

Mr. Wildman: Mr. Speaker, if anyone knows that the Liberals and the Tories are the same, surely the member for Sudbury (Mr. Gordon) knows that.

Mr. Gordon: I finally got some recognition. I have been looking for that all night. Finally I got it.

The Acting Speaker: Order.

Mr. Wildman: I have always been amazed at how easy it is to switch from one to the other; or, for that matter, how easy it is for the federal parties of these two groups to switch. When Joe Clark was the Prime Minister—

The Acting Speaker: On Bill 72.

Mr. Wildman: It all relates to fuel pricing, Mr. Speaker.

Mr. Sweeney: The member should check on the former member for Waterloo North. He ran for the NDP six times.

Mr. Wildman: And he was very successful.

Not only is this ad valorem tax compounding the price increases that result from the national energy program, but it is also compounding the problem that was mentioned by my colleague the member for Cornwall (Mr. Samis) when he spoke earlier today; that is the fact that the oil

companies have been found by the federal government to have been ripping off the consumers in this province for a number of years.

We all know that this provincial government does have something to do with the control—

Mr. Kerrio: All this is happening while your guy was in San Salvador.

Interjections.

The Acting Speaker: Order.

Mr. Wildman: Mr. Speaker, I would—

The Acting Speaker: Do not pay attention. Order, please. Mr. Wildman, carry on; and I ask respect for the Speaker.

Mr. Wildman: Thank you very much, Mr. Speaker. I just want to say that the member for Niagara Falls (Mr. Kerrio) certainly makes a very good foil for the Minister of Health (Mr. Timbrell). They seem to be one and the same in their approach. I wonder how he feels, though, about the Minister of Health's comment that there are two Socialist parties in this province?

Mr. Kerrio: I do not know why you are taking exception to the fact that you sent your guy to travel down there.

Mr. Wildman: This man does not care anything about the situation in Central America.

The Acting Speaker: Mr. Wildman, on Bill 72. Carry on, please.

Mr. Wildman: Back to Bill 72. This government was very concerned about inflation in the budget. I think it was mentioned once; they said they were concerned and worried about it. But they did not say anything about oil pricing in terms of what the private sector has been doing. We know the federal government's combines branch found Canadian consumers were overcharged by the major oil companies by about \$12 billion between 1958 and 1973.

Mr. Brandt: You do not know that. The case is still out on that.

Mr. Wildman: All I am doing is quoting what the combines investigation said. That means that in Ontario, if those figures are correct, people were overcharged by \$4.3 billion; that is before the increases in oil prices in the mid-1970s.

Hon. Mr. Ashe: You are reading the same speech as your predecessor.

Mr. Wildman: I am just referring to facts. The thing I do not understand is that this government in 1975, when it was still really concerned about inflation, decided it was not going to put up with further increases in oil prices and it put a

price freeze on gasoline. It could do it in 1975—I realize there was an election coming; I am sure that had nothing to do with it—

Mr. Robinson: It didn't help.

Mr. Wildman: No, it did not help much. At any rate it wanted to do something about the price of gasoline in 1975, which was much lower then. It wanted to protect the consumers in 1975; so it put a price freeze on it. Not only is it unwilling now to do anything about gasoline price increases, but also it has decided it is going to benefit from them itself.

It is not enough to have the people having to pay more to the federal government, or to the provincial government in Alberta or to the producers; this government must compound the price increase by having an ad valorem tax. I have yet to hear any justification for that.

There was no justification by the Treasurer when he introduced it in the budget statement. All he said was other provinces had done it. As I pointed out earlier, other provinces have done many things this province has not done. Why should we do it simply because other provinces do it?

The estimates of what the revenue increase will be as a result of the ad valorem tax completely ignore what is happening with the dispute between Alberta and Ottawa and the increases we are going to see as a result. This government is going to benefit from those increases.

We can guess that by 1983 this province will have gained about a 77 per cent increase in revenue from taxation on gasoline. By 1983, perhaps \$244 more will be paid by a family of four for gasoline in this province.

Hon. Mr. Ashe: Hogwash!

Mr. Wildman: If those figures are incorrect, I would like to hear some more. But what is correct? We are looking at considerable increases in provincial revenue from this method of taxation, and this government just sits there and says: "The statements made earlier do not apply. That is in the past. We should not live in the past. We should look to the future."

It reminds me of the cartoon I saw of the Premier saying, "Which promises apply?" Do the promises of the past, present promises or some nebulous promises in the future apply? I guess one can always keep the promise if he has enough options in his promises so they all contradict one another. That is always a pretty

good way of promising to do what one says he is going to do. But it is not very good for the people of the province.

8:30 p.m.

It must be a little frustrating for the minister to sit here day after day and hear the speakers on this side opposing this tax. It is the same problem all of us have. This government would rather have the opposition sit down and say: "All right. Sure, they have a majority. We should just sit here and vote against it because we are opposed to it. But don't say anything; don't hold up the business of the House. Don't belabour the point, for heaven's sake." They say: "You have made the point on the opposition side. Just sit down and get ready to vote against it, because we know how the vote is going to turn out."

Mr. Hennessy: Why talk?

Mr. Wildman: Exactly. Why talk? Why have democracy? Why have an assembly? Why not just have a vote every four years? If one party wins a majority, let them govern for four years and don't bug them. Then have another vote in another four years.

Interjections.

The Acting Speaker: Order.

Mr. Wildman: Mr. Speaker, I am being provoked.

I would like to know why this government has not frozen gasoline prices. Instead of adding to the cost by this increased tax, why have they not taken a progressive, positive approach, not just for the ordinary consumers of the province but for business—for the economic climate the Treasurer talked so much about in the budget?

Why has he not frozen gasoline prices until the consumers and the companies gain back some of the moneys taken through gouging prices by the oil companies in the past?

I am not suggesting anything revolutionary; this is not some hare-brained Socialist scheme. This is what this government did in 1975. I know how these people think about the suggestions we make. I really take to heart the comments made by that side when they attack us, saying we are some kind of idealists who do not live in the real world. That cuts me to the quick.

All I am suggesting is that this government should continue the policy it had in 1975; that it should protect the consumers. It is the kind of policy I think this government genuinely believed at one time. It had a purpose; it really wanted to turn around the economic situation in the

province so that we could rebuild our manufacturing sector and compete with the other provinces.

But something went wrong. I do not want to say it had to do with the fact there was an election coming in 1975. But perhaps this government sat back at that time and said: "We froze gasoline prices but we did not win a majority. We actually lost seats; so maybe that is not what the voters want."

Maybe they decided they would end the temporary freeze and consider other measures when another election was coming: "Perhaps we can come up with a rebate or cut in sales tax or whatever. At any rate, we will not deal with fuel taxes. We will not even freeze prices, but we will tell the people we are not going to increase taxes and maybe they will vote for us." It worked. They won an election. They won a lot of seats. They filled up the back row with new members.

Mr. Bradley: They got 44 per cent of the vote.

Mr. Wildman: That is true. One voter in four of the total electorate voted for that party.

Hon. Mr. Ashe: How many did you get?

Mr. Shymko: How many unionized workers?

Mr. Wildman: I am admitting the government was quite successful in its approach.

The Acting Speaker: Order.

Mr. Wildman: The one thing that really bothers me is that somehow then they can turn around and say: "We were successful. We won a majority. We promised the people we were not going to increase taxes. Now we have done that. We do not want to live in the past any more; we had better look to the future. So let's forget about everything we have done prior to the election campaign, everything we said during the election campaign, and let's increase the revenues to the provincial coffers. But we won't increase those revenues on the basis of ability to pay."

Hon. Mr. Sterling: Like personal income tax.

Mr. Wildman: You did increase personal income tax. That is true. The government has suggested an increase in personal income tax.

Hon. Mr. Sterling: Why did you not support it? Why did you vote against it?

Mr. Wildman: The problem is that this government not only increased personal income tax, which the upper levels have an ability to hedge against with registered retirement savings plans and so on, progressive as that might be, but it also coupled that with a number of other

measures, one of which we had no opportunity to vote against, except through the medium of a noconfidence vote, namely, OHIP premiums, which this government tries to pretend are not taxes. It says that these are really premiums.

The fact is, as everyone knows, they are health care taxes and everyone pays the same amount. When one combines the OHIP premium increases with the income tax increases the minister mentions—and I would like to comment on that—one ends up with a most regressive system. A family earning about \$15,000 is not paying the 48 per cent of the federal tax rate the Treasurer talks about, but 80 per cent. Then it goes down from there to something like 60 per cent for a family of four earning about \$25,000 a year. That is not a progressive system. When one piles on top of that all these other sales tax increases, how can this government even try to claim it has a progressive tax system in this province? It is not progressive.

The taxes on gasoline, like the taxes on beer and liquor, have no relevance at all to ability to pay. As a result, we end up with the people at the bottom level of the income structure paying an unfair share. At the same time as the Treasurer increases gasoline taxes, he makes a statement in his budget address that because he wants to maintain what he calls a good business climate, he cannot change or will not change the corporate tax rate. So one has the corporations in this province getting off scot-free and the wage earners, the ordinary families, getting it in the neck. That is the promise that has been kept by this government. That is what a majority government has meant for Ontario.

We cannot accept this. We think it is most regressive. We think it is most unfair that a government that has promised for so long to fight inflation now says: "Not only will we stop the fight against inflation, not only will we accept inflation as a fact of life, but now we are going to get in on it. We are going to capitalize on it. We are going to make as much money out of this as possible." It is not fair. It is something this party cannot support and it is something not one of us on this side of the House will apologize for, having spent as long as we have in opposing it.

8:40 p.m.

We do not think this tax increase should have been introduced in the House, especially the ad valorem aspect of it. We intend to oppose it as long as we can. All of us understand what the Premier has called the realities of March 19. We all know that when it finally comes to a vote on

second reading they will pass it, unless the members on the other side have been won over by the rationality of our arguments.

If they had gone to the constituents in their ridings and asked them, "What do you think of an added value tax? Are you in favour of it?" I am sure they would not have got an affirmative. I admit a lot of people would probably say they would expect a government with a majority to increase the gasoline tax. I think everyone expected that. The media were predicting it and the opposition parties were expecting it. We did not agree with it, but we were expecting it. But no one expected an ad valorem tax system, and this government never mentioned it.

If the members over there had gone to their constituents before the election and said: "This is what we are going to do. We are going to have an automatic increase every three months on top of the increases that will be imposed because of the national energy policy, cutbacks in Alberta, production costs, exploration costs and the profits of the oil companies," the result would have been quite different. Of course, they are not stupid. We admit they are not. They knew that would not be a successful way of winning a majority so they said, "We will keep taxes down."

I have talked to the people in my riding. I toured the north end of my riding and if any of the members opposite think gasoline prices are high in southern Ontario, they have not been to places like Wawa, Dubreuilville, Hornepayne or White River, where they already pay approximately 40 cents a litre.

Interjections.

Mr. Wildman: There are a few members from northern Ontario on the other side of the House who were quite vocal while I was speaking. They said this was necessary and they had to raise funds. I wonder what would happen if those members went to their constituents in northern Ontario and said, "Are you in favour of an automatic increase in the cost of gasoline every three months?"

Mr. Piché: I said, "Are you in favour of Rene Piché?"

Mr. Wildman: When the member for Cochrane North becomes the equivalent of an ad valorem tax, I wonder if they will be in favour of him.

This is unacceptable to the constituents of Algoma. It is particularly unacceptable to those people who live in the small communities in the north end of the riding of Algoma. I do not see how any member from the far north or from a

rural riding could accept this because many members have indicated gasoline for a car is a necessity.

I am not opposed to it just because of the disastrous effect it will have on the people of my riding over the next two or three years. I am opposed in principle because it is a bad way to raise the revenue this government wants and needs.

Mr. Piché: What is the alternative?

Mr. Wildman: I have given lots of alternatives. The people opposite continue to ask me, "What is the alternative?" I have told them. They could increase the revenue they get from the resources of the north. They could get \$450 million this year. I am not saying this in a vacuum. I am not saying, "Forget about this tax. You do not need to raise revenue." I am telling them there are other ways it could be done.

Mr. Piché: What are they?

Mr. Wildman: I told you one and you continually ask, "What are they?" No wonder this government never moves in the area of resource taxation. They do not even hear us when we tell them about it. They do not understand.

As I said, this is a bad tax; it is a bad principle. I hope sincerely—maybe it is a forlorn hope—that in four years, when the René Pichés of this world return to the electorate, the people of this province will say, "The member for Cochrane North is not a bad guy maybe, but he is one of those people who abandoned the people of northern Ontario to an ad valorem gasoline tax and he deserves to lose as a result of it. He does not deserve the support of the people of Cochrane North as a result of that."

I suspect this government somehow will come up with a collection of goodies—

Mr. Piché: After I have just brought the Dash-7 to northern Ontario.

Mr. Wildman: I suspect the Dash-7 may indeed be one of the goodies this government comes up with when the next election is coming. And how will they have paid for it? They will have paid for it out of the pockets of the people of Cochrane North and the rest of this province with this odious ad valorem tax.

We are opposed to it, we will not support it and we will stay here talking as long as it takes to get through those thick noggins over there that it is a bad idea and that we are waiting for them to change their minds and abandon the ad valorem tax.

Some hon. members: We want Nixon.

The Acting Speaker: You have got Mr. Bradley.

Mr. Bradley: Mr. Speaker, I was not going to enter into this debate. However, I was provoked by some of the interjections from across the floor and, as a result, I decided I would have to repeat some of the arguments that have been made on this side in opposition to this tax and perhaps add new light to some of the debate that has taken place so far.

First, I well remember the last election campaign. In none of the Progressive Conservative pamphlets that I have flipped through did I find any reference to proposed increases in taxes, and most particularly the gasoline tax. Indeed, many of the Conservative candidates during the campaign extolled the virtues of the Premier (Mr. Davis) and his cabinet as the defenders of the consumers of the province of Ontario against big bad Alberta and the taxes of the federal government as they relate to gasoline.

At no time was there any mention that the provincial government would jump on the bandwagon, that it would piggyback on top of the already high gasoline prices to derive even more revenues to add, I suppose, to its advertising budget because that is one of the areas where it has spent rather extensively. The member for Cochrane South (Mr. Pope) would certainly be aware of the advertising that took place, particularly before the campaign.

Let us look at the way some of the people in this province will be adversely affected. Let us look at the reason why we did not see anything about it in the Tory pamphlets and why there has been a great absence of speakers on the other side who are willing to stand in this Legislature to defend a tax put forward by a government they represent. I particularly invite the newer members who are interested in making a contribution to get up and defend that tax in the House. That would make an interesting Hansard to send back to the people four years from now.

Certainly the people of Carleton East, for instance, would not be in favour of a tax of this kind and would wonder why their member, who was successful in the campaign, did not mention it. The people on regional road 24, Victoria Avenue in Vineland, would wonder why the member for Lincoln (Mr. Andrewes) was not on his feet to defend this tax.

The people of Kapuskasing, who so ceremoniously sent their new member to the south to defend the interests of the people of the north of that riding, would wonder why that member had not stood in this Legislature to defend the people against that tax and had not taken an

independent stand. The people of High Park-Swansea did not return their former member because for some reason they felt that the new member who was elected on the Progressive Conservative side might be able to provide them with a different thrust, or perhaps with some more goodies for the riding. We find out that member apparently is either acquiescing in this particular tax or is not prepared to speak about it if he is otherwise opposed to it.

8:50 p.m.

Then there is the member for Brantford (Mr. Gillies), a bright new light in the Ontario Legislature. One would think that individual, particularly because he is involved in a community with a lot of industry, a community which would be looking for lower prices in terms of gasoline because of the transportation that takes place between the factories and so on, would oppose it.

Then looking at the individual consumers, one would expect that that member for Brantford would be standing in the House to defend his constituents against this assault on their pocketbooks. Apparently, none of these members is prepared to stand up to defend the rights of the individual taxpayers within their constituencies. For this we are very disappointed.

Let us look at some of those members who represent other areas. For instance, there is the Minister of Revenue (Mr. Ashe) himself. A good many of the people in his constituency would probably be employed in the automotive industry. There is the member for London South (Mr. Walker), who might well have a number of constituents who are employed in the automotive industry. Those people would be concerned about this new ad valorem tax, which increases the provincial government take and assaults the wallets of the taxpayers each time an increase is announced at the federal or federal-provincial level as it relates to Alberta.

One would think these people would be defending the interests of the automotive workers in their ridings and in the surrounding area because this is bound to have, both in the short run and perhaps in the long run, a detrimental effect on the automotive industry in this province. We have to express disappointment about that. I am sure that many of the people who rely for their livelihood on the automotive industry are very concerned about this tax which will continue to increase.

Many members of the Legislature have already stood to quote the Premier and other cabinet ministers and members of the Progressive Con-

servative government when they were talking about Alberta and how Premier Lougheed was not taking into consideration the welfare of all of Canada, and how he was really going to rob the people of Ontario. In concert with the federal government, he was going to be picking the pockets of the people of Ontario. But just a couple of years after those sanctimonious pronouncements, all of a sudden, this government has decided that this ad valorem type of taxation, this value added tax, is the way to go and that it will join in in robbing the people of this province of their hard-earned dollars.

We look at people who face different situations. In the provincial constituency of St. Catharines, there are a number of people who must commute to Hamilton, to Oakville, to Burlington and to Toronto for the purposes of employment. A good number of them live in the northwest end of the city where access to the Queen Elizabeth Way is rather easy. Having invested their money in a home in the city of St. Catharines and knowing that the cost of homes in Burlington, Oakville and Toronto—most particularly in Metropolitan Toronto—have increased tremendously and the interest rates are at such a high rate that it is difficult to make a new move in this direction, they are going to be stuck with additional costs as they commute between St. Catharines and Toronto or St. Catharines and Hamilton and other centres. Therefore, these people are going to be adversely affected by the policies of this government, policies which were not announced before the election, but were revealed to the people of Ontario after the election.

We think of the farmers. I think I have about 30 farmers living in my constituency along the eastern side of the Welland Canal. Those people have to work their land. They have long distances to go in terms of transportation. Many of my colleagues in the Liberal caucus represent areas with a large number of farmers and large rural districts.

Those people are going to be particularly hard hit by the fact they have to travel long distances. They require fuels of all kinds for the operation of their machinery and so on. Those people, already hit hard by high interest rates and by other rising costs, are now going to be hit hard again as the transportation of their goods to market will cost more money. So the farmers are adversely affected.

Along the major southern corridors—Highway 401, the Queen Elizabeth Way and highways of that kind—one sees many large transport trucks

carrying goods produced in this province. There is no question in my mind the cost of these goods have to increase because transportation costs are going to increase which, in turn, is because the Progressive Conservative government has decided to place an ad valorem tax on gas. We are going to see inflation fuelled in many ways by this tax, a tax that was never announced before the election.

We also look at areas that are not favoured with public transit. Some of us are from areas that are favoured, either through the private sector or otherwise, with transit at a relatively low cost. Those people will be sheltered to a certain extent by the fact they have public transit available to them. But there are many areas where public transit does not exist. Those people will be zapped even harder than others by the increases in the gasoline tax that will take place on a continuing basis without the issue coming back to this Legislature for approval.

There are those who have older cars that may be harder on gasoline and who cannot afford to purchase newer cars. Those people will have to pay more because they are going to have to consume more gasoline than others. Therefore, the tax once again becomes unfair.

I notice the member for Cochrane North (Mr. Piché) has smiled through much of this debate. But he must recognize the people of northern Ontario have great distances to travel. His constituency extends across a good deal of the province, and he must recognize it would be very costly to travel with this new gasoline tax. Already many people in northern Ontario are paying more for gasoline than people in other areas. Apparently, he is prepared to acquiesce in an assault on those taxpayers by the increase in the cost of transportation for his own constituents. One would think if he were truly representing the individuals who placed him in the Legislature he would take a very courageous stand against his colleagues who sit in the front benches. He should say he stands up for the people of this province. We will look forward to seeing that happen, if that is going through his mind at the present time.

We all are part of municipalities that rely on gasoline for the operation of their vehicles. We will have to see what the additional costs are going to be for these municipalities operating trucks for the parks and recreation departments or the engineering departments or any of the other departments involved in municipal government. The cost of gasoline for these vehicles is going to increase and, therefore, the tax bill

must increase. I think most people recognize that the property tax is a regressive one in that it does not take into account a person's ability to pay, but rather the assessed value of the property. Once again this tax is going to weigh rather unfairly on a particular segment of the population.

The people who have served on boards of education will recognize they have vehicles which must use fuel and that when the cost of fuel goes up their costs increase. We know children are transported around in buses in many cases. The private bus lines that provide service to the boards of education and ultimately to the people of the area are going to need more money. Therefore, the education portion of the municipal tax bill is going to have to increase rather substantially.

Throughout the province we see an increase unfairly applied to various parts of the population at a time when inflation is already high. At a time when many people are having a difficult time making ends meet because of increases in food prices and other areas, we are now going to zap them once again as the province introduces a tax that will take advantage of those increases which are prompted not just within this country, not just internally, but also by increases from the OPEC nations, who decide from time to time to raise their prices or on very rare occasions to moderate those increases or perhaps not even implement them as they did the last time.

9 p.m.

I think of the automotive industry and its importance to the specific area I represent. Many of the people, as I knocked on doors during the campaign, expressed concern because they worked in the automotive industry. They said, "What is the provincial government's stand on making this an attractive place for industry to continue and to be competitive?"

I said I hoped that after the election, whichever government was elected would take care to ensure that the auto industry would continue to thrive. Yet we see a counterproductive measure put forward by this government, a measure that is going ultimately to cause layoffs in the automotive industry and increases in unemployment insurance payouts, in welfare and various other forms of social assistance because these people are not going to be able to function in an industry that is going to be in the doldrums in part because of the contribution that members on the other side have made through their additional ad valorem tax.

Mr. Shymko: Some other countries have it.

Mr. Bradley: I invite the member for High Park-Swansea to stand in this House, along with four other members, at the appropriate time to make his speech on why he feels this is a good tax. If he is prepared to stand and defend this particular tax, then I will give the gentleman credit. But I doubt very much if he is prepared to do so. It is much easier to sit on the back benches and collect \$6,500 a year more for being a parliamentary assistant. Of course, if a person is a parliamentary assistant, then we must take into consideration that he or she has to be careful not to ruffle the feathers of the people sitting in the front row. To ruffle those feathers might mean a loss of that parliamentary assistantship or perhaps would mean no movement down to the cabinet benches. Of course, there is lots of room. I see some talent in the back rows.

The Deputy Speaker: You are speaking to the tax. I know you are going to work it in. I am just reminding you.

Mr. Bradley: Seeing such talent, I know that talent would want to comment on this tax. I did work that in. I look to those people who were elected with such flair, who were elected with such ceremony, who were commented upon in the newspapers as being the bright new lights of the Progressive Conservative Party, to defend the interests of the constituents who elected them.

I think I have outlined many reasons why we in this province do not need this tax. In one or two minutes I am going to conclude. Mr. Speaker, you are another individual, I know, who is very concerned about the automotive industry. You would recognize, as perhaps those who do not have automotive workers residing in their ridings do not, how important it is to ease the adverse impact on the automotive industry at a time when it is being challenged from abroad and challenged internally now by the fiscal policies of this particular province.

In conclusion—I have to drive some people to the bus terminal; that is the only reason I am going to conclude—I appeal to the member for Carleton-Grenville (Mr. Sterling) to defend the interests of the people in Maitland, Ontario, to the member for Algoma-Manitoulin (Mr. Lane) to defend the good burghers of Espanola who will be adversely affected by this tax, to the member for Elgin (Mr. McNeil) to look after the farming population of his area, and to the member for Mississauga East (Mr. Gregory) to look after the commuters in that jurisdiction. Once again I have made my

appeal to the bright new lights on the other side and even some of the duller lights that have moved down over the years, an appeal which I sincerely hope will not fall on deaf ears.

Mr. Piché: You did not say anything.

Hon. Mr. Gregory: But it was good. He said it well.

The Deputy Speaker: Order, please. Mr. Stokes has the floor.

Mr. Stokes: Mr. Speaker, the member for Cochrane North (Mr. Piché) who has just interjected also has not said anything and it was better still. I think it was Benjamin Disraeli who said, "Better that a person not get up than somebody get up and everybody wonder why he had."

I hope the comments I will make in my opposition to this piece of legislation tonight will prompt the member for Cochrane North, the member for Algoma-Manitoulin (Mr. Lane), the absent member for Fort William (Mr. Hennessy) and the absent Minister of Northern Affairs (Mr. Bernier) to get up and speak on behalf of those people who are already disadvantaged because of the high cost of gasoline.

It never ceases to amaze me that we can equalize the cost of beer and booze any place in the province, but when it comes to something as essential as the wherewithal to propel our motor vehicles in the north, where we are troubled with such great distances to existing services, we do not have the ability to look after something as essential as gasoline for moving people from one place to another. When it comes to something such as booze or beer, boy, can we ever rationalize and come up with something that meets the needs of everybody in Ontario.

I do not hold the minister personally responsible for this piece of legislation he has had to usher and sponsor in this House; he is a new boy around here in terms of taxation policy. But if there is any one piece of legislation that has betrayed the people in the north more than this legislation, I cannot think what it is. In 1967 when I first had the pleasure of being elected to this House, we had a marked disparity in the cost of gasoline and other petroleum products in Ontario, in the north vis-à-vis the south.

In 1971 my Conservative opponent ran on the platform that he was going to equalize the price of gasoline in the north as opposed to the south. In 1975 it was the same thing. In 1977 it was a regurgitation of the same program. In 1981 there was the same cry from my Tory opponents that when they represented the riding of Lake

Nipigon they would see justice was done to equalize the price of petroleum products in the north as opposed to the south.

They were able to communicate that message to the electorate, but they sure were not able to communicate that to the Conservative Party down here. I could pull out dozens of press releases where the member for Cochrane North has decried the disparity in the price of petroleum products between the north and the south. The member for Algoma-Manitoulin, who is now a parliamentary assistant to somebody or other, actually sponsored a private member's bill in this House dealing specifically with that.

9:10 p.m.

I can remember sponsoring a resolution myself that spoke to the very contents of this bill. Not only was it endorsed by the former member for Sault Ste. Marie, who was a genuine northerner, in the person of John Rhodes, but the now Minister of Northern Affairs got up and echoed his sentiments in favour of that resolution.

I often wonder what happens when northern members generally, but in particular northern cabinet ministers, get around the conference table where they are cutting up the pie or establishing priorities as to where they will get their resources in order to provide the services that are the responsibility of this government to the people of Ontario.

Do they not listen to people in the north? Is it because from all parties we have only 15 members representing four fifths of the geographic entity of the province, namely, Ontario situated north of the French River? Is it because they have just become so indifferent and so callous that they are only interested in catering to the area where the votes are and where people in general terms vote for the party in power? Has the democratic process degenerated to such an extent that the Ontario Conservative Party is only interested in representing ridings or particular districts or regions that happen to send a Conservative member down here to represent the people of the province?

I can remember a former minister of this government saying the ideal situation in Ontario would be to have 125 Conservative members representing all of Ontario. One of them even had the audacity to say, "If we do need an opposition in the province, perhaps the member for Lake Nipigon would be sufficient to put the dissenting point of view."

The Right Honourable John Diefenbaker sat in opposition for more years than many care to remember, representing the good people of

Prince Albert. The Honourable Robert Stanfield represented half of the people in Halifax for a good number of years. Do the Conservatives in Ontario, do most of the Conservatives in this House think 125 Conservatives representing all the people of Ontario would be doing justice to the democratic process?

I think the people of Halifax thought Robert Stanfield was doing a good job on their behalf. I think the people of Prince Albert thought the Right Honourable John Diefenbaker was doing a good job on their behalf. If the members opposite don't believe it, there are jurisdictions in this world where they have the kind of parliamentary democracy that the former minister suggested. They are all behind the Iron Curtain.

If that is what they want, they should just stand up and say so, because the kind of legislation they are asking all 124 voting members in this House to support smacks of the kind of arrogance, smugness, indifference and callousness with which they are treating the people in northern Ontario.

Why do I say northern Ontario specifically? I left here Friday morning on an Air Canada flight to Thunder Bay, connected with a norOntair flight to Pickle Lake and flew north out of Pickle Lake to places that members probably have never even heard of, such as Fort Hope up on the Albany River, Summer Beaver—

Mr. Nixon: Summer Beaver?

Mr. Stokes: Yes. That is what I mean, Mr. Speaker. We need another northern tour because that community did not even exist the last time the member for Brant-Oxford-Norfolk (Mr. Nixon) was in northern Ontario. There are real human beings there, trying to make their contribution to society in Ontario, and most members did not even know there was a place called Summer Beaver. In addition to Summer Beaver, there are Wunnummin Lake, Kingfisher Lake and Kasabonika.

Mr. Piché: There is a place called Mississauga that I found out about only when I came to Toronto.

Mr. Van Horne: You cannot even pronounce it. It is Mississausage.

Mr. Stokes: For the edification of the Speaker and the edification of the Minister of Revenue (Mr. Ashe), we have communities in Ontario where people are now paying \$5 for one gallon of gasoline. We actually have such communities in Ontario in my riding and in the riding of the member for Cochrane North. I understand he is

already negotiating with the federal Liberal members to get into the northern parts of his riding for the first time.

Mr. Piché: Not for the first time, but we are going there very shortly to deal with that.

Mr. Stokes: How many times has the member visited Winisk in his riding? How many times has he visited Ogoki Post? How many times has he visited Fort Albany? How many times has he visited Attawapiskat? How many times has he visited Kashechewan? I want to tell the minister and you, Mr. Speaker, that I visited those places. If he visited them, I want him to get up and say so, and I want him—

Mr. Piché: On a point of order, sir: I visited them. I was there throughout the campaign. I have only been here a month and a half, but I went through every community and I am planning to go back with my—

Mr. Wildman: How much does gas cost up there?

Mr. Piché: Be quiet for a minute. On a point of order, I am talking. I agree with what the member for Lake Nipigon is saying. I am fully behind him because I went out on the campaign and I visited all these areas. I am going back—

Mr. Martel: Are you going to vote against the bill?

Mr. Piché: I am going back very shortly because we have problems in the far north. The member is right. I am right behind him.

Interjections.

The Deputy Speaker: Order. We have had a good discussion on the north.

Mr. Stokes: Mr. Speaker, I am awfully pleased to hear the member for Cochrane North is on my side in this issue. I am sure you will recognize him before this debate is too much older so he can get up and say so in a more detailed fashion now that he has had the opportunity to do so on an alleged point of order.

I was saying, before I was so rudely interrupted, that we now have places in Ontario accessible only by air transport, where people not only are paying \$5 a gallon for gasoline, they are paying \$4 for a litre of motor oil to mix with the gasoline to put in their motor boats so they can go out there and harvest the fishery resources that the Minister of Natural Resources (Mr. Pope) objected to in my question this afternoon.

We also have communities where there is no electric power. There is for the Department of Indian Affairs and Northern Development if it happens to have a nursing station, or Environ-

ment Canada where it happens to have a weather station, but it is not available to most of the native people in the north. What do they use for lighting? They use Coleman lamps for lighting at night, and one litre of the naphtha gas they use for that purpose costs \$9.50.

9:20 p.m.

Mr. Martel: Let the Minister of Revenue tax them.

Mr. Stokes: Wait a minute. In fairness to the honourable minister I asked him if any of these tax bills would cause that price to increase. He talked with his minions under the press gallery and I was assured that all these taxes applied specifically to fuel for motor vehicles. So I am pleased to have the assurance from the minister that this tax will not apply to naphtha gas for people who are paying \$9.50 a litre.

Why do I say this has really been a hoax? Why do I say we in the north, we in the riding of Lake Nipigon, find this piece of legislation more offensive than any piece of legislation that has ever been introduced by this government in the almost 14 years I have been down here?

Let us take somebody living in Manitouwadge, which is a combination mining and forestry resources town. It happens to be the largest town in my riding. They do not have a dentist at the present time. The dentist left for reasons known only to him. So much for whatever oath a dentist takes to help the people of Ontario with their dental needs. If somebody has a toothache he must jump in his car and go 250 miles to Sault Ste. Marie to the east or 250 miles to the city of Thunder Bay. When he is paying almost \$2 a gallon for gasoline I do not have to spell out in specific terms the kind of effect this regressive legislation will have on somebody who has a toothache.

Let me talk about somebody who needs treatment or diagnosis from a medical specialist, Mr. Speaker. There are no specialists in Manitouwadge. As a matter of fact, we have 3,400 souls living in Manitouwadge and we have one doctor. Through the efforts of Dr. Copeman of the Ministry of Health we just might have a second doctor by July. If one needs specialized treatment one must pay the cost of travelling 250 miles to Sault Ste. Marie or 250 miles to the city of Thunder Bay in addition to the OHIP premiums one pays, which are the same for everybody in Ontario regardless of where he lives.

Living in the Durham area, one might have to come in 30, 40 or 50 miles. We have to travel

eight to 10 times as far for the very thing people in the south take for granted. If you were not in the chair right now, Mr. Speaker, I am sure you would be expressing your sentiments on behalf of the people who live north of the French River.

What about somebody who lives at Pickle Lake? Pickle Lake is the farthest point north that one can drive in my riding. It is 345 miles from Pickle Lake to the city of Thunder Bay. It is even farther to the city of Winnipeg, where most of the residents traditionally go for their dental and medical needs.

I am not trying to be overly dramatic. I am just telling the members the way life is in northern Ontario. If we can equalize the price of booze or the price of beer throughout Ontario, surely, if we have the will, we have the ingenuity and the knowhow to devise a tax scheme that will benefit the people of northern Ontario.

I would like to challenge the Minister of Revenue to say, "Because of the adverse effects this piece of legislation is having on the people north of the French River, but more particularly those in the far north, beyond the forty-fifth and the fiftieth parallels, I will hold it over." The member who is trying to fly on one wing over there, the member for Algoma-Manitoulin, has got up on numerous occasions in this House and made the same speech I am making tonight. The member for Sault Ste. Marie (Mr. Ramsay) did the same thing. The member for Cochrane North got up and interjected to say he supported everything I said.

On the basis of what they seem to be saying with regard to this regressive piece of legislation, I would like to challenge the minister to take this piece of legislation back to caucus. We can stand it down over Wednesday. When does the caucus meet? On Tuesdays? Their caucus meets tomorrow. The cabinet meets on Wednesday. Why not set down this piece of legislation so that the member for Algoma-Manitoulin, the member for Fort William, the member for Kenora and the member for Cochrane North can tell them what they really feel about this legislation. I know they feel the same way I do about it.

Mr. Cooke: Either that or they are hypocrites.

Mr. Stokes: No, do not say that; that is uncharitable. I am not talking to those people or on their behalf; I am talking to all the other people over there. I am sure they have made those same arguments in caucus. I am sure some of the cabinet ministers who sit around the cabinet table—

Mr. Martel: The member from North Bay says no; the member for Nipissing (Mr. Harris) says no.

Mr. Stokes: I forgot about the member for Nipissing. The member for Nipissing used to sit over here. He is a new boy around here and I have not had the benefit of his comments on anything. That may be uncharitable because he has not had that much time. If he wants to get up and speak on behalf of the people of Nipissing about this very crucial and important piece of legislation, I am sure that you, Mr. Speaker, will give him an opportunity to do so.

I cannot bring myself to believe that all those Conservative members representing ridings north of the French River would be saying one thing up there and another thing down here. I just don't believe—

Mr. Martel: Ask the member for Sudbury (Mr. Gordon).

Mr. Stokes: I do not know the member for Sudbury but I know the member for Algoma-Manitoulin; I know the member for Fort William and the minister from Kenora; I have known the member for Cochrane North for many years when he used to sit on the Ontario Northland Transportation Commission and when he was the mayor of Kapuskasing. I know how he feels about this important issue.

I invite the Minister of Revenue to stand this piece of legislation down so that they have one more opportunity to hear what those northern members have to say about this unfair legislation. Once they have heard from those members in caucus, they should take that around to the cabinet committee and tell them there is a better way of generating revenue for the necessary programs in Ontario under the sponsorship of this government. There is a better way and a fairer way of doing it.

9:30 p.m.

With this ad valorem tax, they are already heaping insult on to injury. If the minister gets his 20 per cent increase, which is what this means, he is going to further alienate somebody who is already paying \$2 a gallon for gas.

Hon. Mr. Ashe: Wait until I explain it to you.

Mr. Stokes: Oh, sure, he is going to get up and say he is going to do it on the basis of a select market here in southern Ontario. I know what the minister is going to get up and say by way of explanation. The problem I am trying to highlight for the benefit of the minister is that the base in northern Ontario is much too high now. It is already unfair and he is just adding insult to injury.

I do not know whether the electors of Ontario, particularly those who reside north of the French River, will remember what those people are doing now. I happen to think this is the one major, basic issue they will never forget. They will never forget it because all the Conservatives who have run unsuccessfully in northern Ontario have used this as a major plank in their platforms.

Hon. Mr. Ashe: Quite a few successful ones, too.

Mr. Stokes: It may be, as the member for Nickel Belt (Mr. Laughren) suggests, they are saying one thing up there and another thing down here.

That argument does not apply to the member for Cochrane North because he asked me to yield the floor to him and he got up and said what he feels about this regressive piece of taxation. He said he agrees with everything I am saying. If he has not had an opportunity to say so in caucus he will not get an opportunity to say so in cabinet, but I think His Whipship over there attends caucus meetings. Perhaps I can rely on him to take the message to caucus on behalf of those people who live north of the French River, "Run this piece of legislation through the mill again."

Let me say this. I may be a little out of order and I am sure the Speaker will call me to order, but we have the sales tax, which is a seven per cent tax on the consumer price of any article to which it applies. If that article sells for \$1 down here in Metropolitan Toronto, what do people living in Mississauga pay? They pay seven cents. If that article is worth \$2 in Pickle Lake what do the people there pay by way of sales tax? They pay 14 cents. They pay 100 per cent more.

That is the kind of thing I am saying. The base price is already too high and the minister is just adding insult to injury as a result of this. I invite him in the most kind, the most generous way I can to take this piece of legislation back to his caucus, take it back to cabinet and if he feels it is justified in southern Ontario where we have a lower base price for petroleum products, fine and dandy. He will not get any argument. All I am saying is he should treat the north differently because it is a whole different world up there.

The member for Brant-Oxford-Norfolk did not even know there was a place called Summer Beaver. I am sure a good many members did not know there was a place called Kasabonika where people are paying \$5 for a gallon of gasoline. It is a different ball game up there. I am asking that the minister take a second look

at this piece of legislation, at this ad valorem tax as it applies to those people who are already paying far too much for their petroleum products.

If he does that, after the next election he just might have somebody over there representing the riding of Lake Nipigon. If he does not do it, he will have somebody else representing Nipissing, Sudbury, Cochrane North, Kenora, Algoma-Manitoulin and Fort William. There is an offer he cannot refuse. He should take it back and run it through the mill. I will be the first one to thank him for it.

Some hon. members: René, René, come on.

The Deputy Speaker: Order, please. Mr. Cunningham has the floor.

Mr. Cunningham: Mr. Speaker, I would yield the floor to the member for Cochrane North. While it is a tradition that we alternate, I would be glad if he would like to take my place.

After I am finished, or perhaps one of my colleagues in the third party is finished, maybe the member for Sudbury (Mr. Gordon) or the member for Cochrane North (Mr. Piché) would like to speak as forcefully as I believe the former Speaker and the member for Lake Nipigon (Mr. Stokes) has, not only on behalf of his constituents, but as well on behalf of constituents who may not have as articulate and outspoken an advocate as he is. Not only has the former Speaker spoken on behalf of people in Geraldton and Pickle Lake and Summer Beaver, but as well he has ventured into, I believe, the member for Cochrane North's constituency and talked very forcefully on behalf of the people of Winisk and Attawapiskat. I understand they have a new airport.

Traditionally I have supported good items of legislation. Regretfully I have to speak in opposition to this particular item of legislation, Bill 72, An Act to amend the Gasoline Tax Act. I do not envy the position of the new provincial Minister of Revenue (Mr. Ashe). I understand his job, and it is not a particularly popular job. It can be unduly unpopular when in fact he is charged with the responsibility of bringing in increases in taxation, and more particularly, invidious items of taxation that are based on an ad valorem principle.

At the same time, I can appreciate his dilemma because I understand the never-ending, somewhat insatiable quest for revenue of the Treasurer (Mr. F. S. Miller). An ad valorem gas tax, in my view, is the wrong approach. There is no question that there are people who would argue

the price of oil and gasoline must increase significantly. There are some who feel that price should resemble the world price. I want to say right now, as clearly as I possibly can, I am not one of them, nor is my party.

I recall that prior to the election, and during the course of the election, there was some confusion on the issue of gas pricing. This confusion took place on a regular basis. I believe the Premier (Mr. Davis), for what can only be purely partisan reasons, chose to quote selectively—or misquote—from a five-year-old Liberal press release, to leave the impression that the Liberal Party in Ontario, for some reason, favoured world prices.

What utter nonsense. When corrected on several occasions, the Premier chose to continue to ignore the facts and continued to distort our position on gasoline prices, as I believe he has misquoted and distorted the position of the NDP on a myriad of other issues. It can only be a rather narrow approach to politics—that is, the principle of repeating what was never said.

On February 2, while many of us were in the justice committee debating the matter of Astra Trust and Re-Mor, at the conclusion of our work the Premier was down the hall in the media studio announcing the election. He stated he wanted a mandate to keep taxes down. That was a very clear part of his message on February 2.

Now the realities of March 19 are yet another broken promise, this one specifically on the pricing of gasoline. I honestly believe there are people who actually got up on election day and went out and voted for the Premier with the idea in mind that possibly there might be some stability with regard to taxes in Ontario, and that our good friend the Premier, a trusted friend from Brampton, would not in fact increase taxes significantly. In the harsh facts of reality since that election we have seen nothing but a litany of broken promises, and the most invidious one is this ad valorem gas tax.

9:40 p.m.

Perhaps—well there is no perhaps about it—the most serious problem Canadians are facing is inflation. Our performance in Ontario and in the nation is less than spectacular. The high interest rates we see today are a reflection of that and part of the problem. Sadly we hear economists who are, in my view, reconciled to the high interest rates we see now—19 per cent, 20 per cent. They talk even of 21 per cent. They say these are the realities we must expect. Those interest rates, as high as they are, are becoming

almost institutionalized by that kind of discussion, thus building another form of structural inflation in our economy.

One of the fastest methods of fuelling inflation is to radically increase the price of gasoline and oil. I do not think any of us would disagree with that; we all know it. We know its effect on small business. We know the effect of an increase on the little people—the people who have to drive long distances to work.

We should contemplate for a moment the effect of massive increases in the cost of oil and gasoline. Farm products become more expensive to move to their markets, thus undermining the competitive edge our farmers would have in Ontario. One would have had to have been absent from this chamber for some time not to know we are seized with the problems of an increasing number of bankruptcies in the farm community. Clearly even prosperous farmers are feeling the crunch.

The standard of living for average workers decreases as the Premier puts his hand in their back pockets. People have to have cars. It is estimated that most of the billions of miles of car travel every year in Ontario is not recreational. For the commuter, the people I see quite often on the highway in the morning, it can spell disaster.

My friend and colleague the member for St. Catharines (Mr. Bradley) elaborated in some detail the difficulties some people would face as they contemplate an increase in mortgage payments on their homes and the increase in the cost of commuting. They may have bought that home in a distant area to escape the high Toronto prices. Now they might find they cannot afford to commute. The price of commuting ultimately will go up, of course, by way of these increases, so that relying on their own vehicle is going to cost them more and more to get to work.

There are a number of people across from me who do not have that expense—their driver brings them in, they never see the plastic charge card and, of course, they never see the bill. But for many of us who fill up our own cars with gasoline on a weekly basis, filling it when the tank is empty as most of us do sometimes can be an ever-increasing pricing record, even for a car with maybe only a 10-gallon tank or a 12-gallon tank, as I believe the member for Brantford (Mr. Gillies) would have in his car. So every week one may find his ability to pay for this vital commodity is decreasing.

The small business man suffers. Municipalities

suffer and thus increase municipal taxes. That is yet another invidious part of this tax that is imposed, I suppose, with no other reason in mind but an extra grab at tax money. Sometimes some of the consumer prices necessarily reflect the increases. I suggest that whatever competitive advantages we had in the province are going to dissipate.

Radical and consistent increases in the cost of transportation fuels have a particularly serious effect on the poor. We should contemplate somebody living in the riding of Lake Nipigon, for example, whose standard of living might be far below that of any of us—far below a level any of us could even contemplate. He might possibly be living on \$7,000 or \$8,000 a year—a meagre level of subsistence. We should contemplate the dilemma these people face as these taxes go up.

The former Speaker has made a very valid point relating to the sales tax and the cost of the end product. A colour TV in the riding of Geraldton could cost \$300 or \$400 more in Geraldton than one would pay for the identical product down here in Toronto. Of course one then has the luxury of paying seven per cent on that additional \$400. I think it is extremely unfair.

Constituents of mine living in Carlisle, Carluke, Freelon, Mill Grove and Waterdown, where I live, think this is a crummy item of legislation. They think it is unfair. I cannot begin to contemplate what the good burghers of Geraldton would feel, never mind people living in Pickle Lake.

As the Premier stated himself, when former Prime Minister Clark proposed the 18-cent increase in the excise tax—and I believe it was right here in this House: "Among the wealthy it will not promote conservation, in our view; among the disadvantaged it will cause serious financial hardship."

There you have it, Mr. Speaker, right from the Premier. Traditionally the custom on tax legislation was to require the approval of the House—and in essence, I suppose, the public—on every increase. We are removing that power from the Legislature through Bill 72. From this time on, members of the Legislature, the new member for High Park-Swansea (Mr. Shymko), will have nothing more to say about this particular item, because it will go up insidiously, automatically, progressively on every occasion, and we as legislators will have nothing to say about it. I regard that as yet another intrusion on the rights and privileges of the members of the Legislature.

We are, I think, having our privileges abused. The significance of the Legislature is being undermined. Now the Treasurer certainly appreciates the convenience not only of majority government but of not having to go through the tedious process that he is going through right now to get this piece of legislation every year. It is almost like saying, "It didn't hurt, did it?" every time someone goes to the pumps and fills up his car.

The new ad valorem approach removes that necessity and nicely perpetuates forever percentage-basis gouging, which will increase every time Sheikh Yamani, Peter Lougheed or any other guy gets the idea that he needs a little more dough. It gives the taxpayers no incentive to conserve, but rather is a blatant, bold incursion on the back pockets and purses of the Ontario public. This ad valorem approach institutionalizes these increases and contributes to inflation in a very real way.

No Treasurer advocating such a form of taxation—again, I want to put the blame where it belongs, and it is on the Treasurer's desk—could ever legitimately raise the issue of inflation with any sincerity. If this item of legislation becomes reality, I just cannot believe the Treasurer will make, with any credibility, any more of the anti-inflation speeches that some of his economists are prone to write for him, whether at Rotary clubs, Kinsmen clubs or even here in this Legislature.

The argument has been made many times that other governments have adopted a similar approach. I do not care whether they are NDP governments, the federal government or Conservative governments in other jurisdictions. They are wrong. It is a wrong approach.

The Treasurer knows the serious impact this taxation will have on the rate of inflation. He is aware of the effect on small business. I believe they have contemplated it. I believe, more seriously, that they actually had this item thought up long before the election; that this portion of legislation, this concept of taxation, was drawn up a long time before the election was called.

I really feel somewhat cynical about this, because not once during the course of the election did I hear anything about any proposed increase in taxation, especially by way of ad valorem increases in the price of gas. What I did hear was a continual distortion of the pricing policies that my party had. If that is not going to increase the rate of cynicism in the public I do not know what will.

I believe the Treasurer is well aware that

every time the price of a barrel of oil goes up \$1 per barrel at least—the provincial Minister of Revenue can correct me if I am wrong—the provincial revenues go up a further \$20 million, all in the name of satisfying this insatiable budgetary appetite.

9:50 p.m.

On at least three occasions in the last 13 years the Ontario Motor League has presented its views on gas taxes to the cabinet. The member for Brant-Oxford-Norfolk (Mr. Nixon) made reference to the Ontario Committee on Taxation and its particular views on the amount of money the Ontario motorist pays. Most of us feel we are paying quite sufficient. In 1975 Transport Canada estimated that Canadians travel 87 billion automobile miles. Almost 70 per cent of that travel was to and from work, commercial traffic, personal business, and shopping. The balance was recreation.

Contemplate construction workers for a moment, Mr. Speaker. Many of them live in my constituency. Many of them have been commuting long distances to construction jobs to obtain work, sometimes as far away as Nanticoke or London. Sometimes the work is not all that regular and they may only get three or four days' work. Because of the price of accommodation away from home, some travel back and forth daily. In its wisdom, the federal government has undermined their ability to deduct much of this travel from their income tax, which I clearly believe is wrong. Nevertheless, it has done it. These individuals are now going to be saddled with this extra increase in taxation, which is no inducement for some of them to get up every day and go to work.

Since the 1975 estimate of 87 billion miles travelled by automobile, vehicle ownership has increased. The member for St. Catharines (Mr. Bradley) has commented, I believe with some authenticity, that this will ultimately have a severe effect on the automobile industry, and it may well have. In 1973 the price of a barrel of oil was approximately \$3.50. That year the OPEC nations increased the price by a factor of four. That is when it all started.

The extent to which we imported our oil was marginal in those days. In the time that has transpired, the price has increased approximately eighteenfold. Our ability or desire to produce our own requirements diminished greatly. Current world price exceeds \$40 per barrel while the Canadian price is \$17.75 per barrel. As Alberta and other domestic producers chose to produce less, more foreign oil was imported,

with the federal government subsidizing the difference. The incredible cost of that difference is borne by Canadian taxpayers and adds to our deficit daily.

We find ourselves in an invidious position. Simply put, as our domestic output declines, our federal deficit increases. There is no question in my mind that Canadians are going to have to make a renewed effort. Maybe that effort will start on Wednesday with further discussions between Mr. Leitch of Alberta and our federal minister, Mr. Lalonde. Over the last 30 or 40 years, in the context of Canadian ownership of our oil resources, we gave away the store—whatever jurisdiction, for whatever reasons; we let it go, we let it slip away. It is almost inconceivable that with this resource in our ground, within the confines of our country, for the most part the majority of it is owned and controlled by foreign interests.

I therefore do not take issue with my federal friends with regard to their desire not only to maintain Petrocan but to increase its role in the provision of energy in Canada. I may question the rate at which they are assuming Petrofina, but that is not my responsibility.

While some would argue to the contrary, it is clear that the national energy program, if only by way of small means, attempts to correct that particular problem. I believe, though, that the additional imposition of taxes by Ontario on an ad valorem basis, for revenue purposes alone, really undermines that program. I cannot begin to contemplate the feeling the producing provinces would have with regard to this province taking such a significant portion of the price of a gallon of gasoline when we do nothing to produce it. Clearly it has exacerbated the ill-feeling that most certainly exists between east and west.

Clearly the purpose of oil and gas tax levies by Ottawa and the producing provinces is to offset the increased cost of the importation of that commodity, to pay for Canadian ownership and development, to pay for new exploration endeavours or, finally, to further or accentuate the balance in Premier Lougheed's Alberta Heritage Savings Trust Fund, which is currently estimated to be somewhere between \$9 billion and \$11 billion. As producers, their claim to these revenues may be questioned by some. It has been questioned by the Premier and the Treasurer, but it has to be regarded with far more legitimacy than the Treasurer's rather blatant grab on the gas tax.

The people who are going to be affected by

this item of legislation in the most severe way are the people of northern Ontario. I sincerely hope that if there is any democracy to this process, the Conservative back-benchers and the ministers representing constituencies in what would be regarded as northern Ontario will take this matter back to caucus and discuss it in great detail.

I could possibly legitimize the increase desired on this occasion on a one-time-only basis, passed with the authority of the legislation, but to do it on a continuing basis, ad valorem with its 20 per cent perpetual gouge, in my view is very wrong. It is going to have its effect in the bankruptcy court, on small business, on commuters, on the agricultural community and on big business. They have already felt the pinch. It is going to have an effect on the roads department in the township of Flamborough where I live, a constituency that has approximately 500 square miles.

It is unfair and regressive. I do not believe it is what the people bargained for when they voted for the Conservatives in the March 19 election. I really doubt the Minister of Revenue, when he was going door to door, knocked on some guy's door and said: "Hi, I'm George Ashe. I am running for the Conservatives in this election. I am running for re-election. I would like to get down there and be the Minister of Revenue so I can increase your taxes by way of an ad valorem gas tax." I really doubt that was the minister's pitch.

I really do not think the member for York East (Mr. Elgie), the current Minister of Labour, was going around in his riding knocking on doors saying: "I am Dr. Elgie, LLB, QC, BA, shrink, MPP, brain surgeon. I am here today to tell you we are going to increase your personal income tax if you vote for us. We are not going to balance our budget this year and we are contemplating this ad valorem gas tax. It will be painless because you will hardly feel it at all. It is a Latin type of thing. It is in metric anyway so none of you will understand it."

Mr. Peterson: Mention Gord Walker. Gord Walker is finished.

Mr. Cunningham: I have some marginal respect for the member for London South (Mr. Walker), who was displaced from his constituency by a friend of mine, Marvin Shore, former member for London North, whom I had forgotten all about. I think a lot of other people have, because he is a proponent of doing exactly what a number of us on this side of the Legislature would do; that is, before raising taxes, contem-

plate holding our expenditures to a bare minimum, contemplate getting rid of some of the waste and fat—there is a lot of it and they know it—and contemplate admitting some of the mistakes that have been made. I honestly believe there should be some sign on the wall in the cabinet room advocating we look seriously at cutting our expenditures before we are entitled to increase taxes.

This ad valorem aspect of the gas tax increase is unfair. It is going to add a lot of money to the provincial coffers. There may be a great deal of currency—I find myself hard pressed to admit this in this Legislature—to suggestions made by Claire Hoy in his column in the *Toronto Sun* last week that the province is on its way to embarking on rather massive oil explorations in northern Ontario, something that I could not quarrel with if they felt oil was to be found there, as well as the actual assumption by way of a purchase of an oil company here in Ontario. Frankly, it is a long way from the philosophy of good old Leslie Frost and it certainly does not speak of the kind of approach to conservatism for which this particular party has been noted.

10 p.m.

This tax, which is going to bring in \$20 million every time Sheikh Yamani and some of his buddies get itchy or every time Peter Lougheed gets itchy, may well be the basis of the purchase of those companies. If that is the purpose of this legislation, then I believe the Minister of Energy (Mr. Norton), the Minister of Revenue or the Treasurer owes us some kind of explanation and should stand in his place and say, “Yes, that is our intention, that is what we intend to do.”

I want to conclude by adding my support to a very constructive suggestion made by the member for Lake Nipigon. He suggested they take this matter back to the Conservative caucus, if it was discussed in caucus at all—noting the opposition of both parties and the member for Cochrane North, who was probably very right in his opposition—and have a very long discussion about it. It is not only going to be unfair to people living in the north or the outlying areas, but it is going to be unfair to everybody across Ontario.

I hope the ministers and the chief government whip—who does not have to put “Milton Gregory” on his gas slips any more, he just has his driver pay for it—will take this case to cabinet and to caucus to see that this item of legislation is set aside and, at the very minimum, the ad valorem portion of it is removed.

Mr. Martel: Mr. Speaker, at this stage of the game I am certainly prepared to relinquish my spot to the member for Cochrane North (Mr. Piché) or the member for Sudbury (Mr. Gordon), should they want to oppose this particular piece of junk.

I cannot help but recall the election: “Help keep the promise” and “We should not increase taxes.” I think that is what the Premier (Mr. Davis) said in one of his speeches. “We should not increase taxes and we need members in the north to help keep the promise.” I am waiting for some of those members from the north on the government side of the House—and we have to have a government member—to get up and oppose this.

I recall the member for Cochrane North appeared in Toronto a number of years ago and said one of the problems in northern Ontario was the transportation rates. He made a great to-do about cutting transportation rates. If he supports this bill, then what he was trying to do a number of years ago was a mockery. It really was.

In fact it is an injustice to the people of northern Ontario who believed the member when he said that one of the problems confronting them was costs. Those costs were a result of transportation costs. Here he is prepared holus-bolus to support this piece of junk and increase the cost of transportation in northern Ontario—not as a one-shot deal but every three months—for those goods and commodities that we already know are priced higher in the north than in the south.

Mr. Piché: Why didn't the member support deregulation of the trucking industry as I suggested?

Mr. Speaker: Order.

Mr. Martel: Should I respond to that, Mr. Speaker? Should I respond to the interjection?

Mr. Speaker: No, just continue with your speech, Mr. Martel.

Mr. Martel: I guess what I find to be a mockery in this—

Mr. Piché: Elie, you haven't got any answer to that.

Mr. Martel: I have an answer.

Mr. Speaker: Order.

Mr. Piché: Give it. Give it right now. Deregulation; different freight rates now.

Mr. Martel: I will yield the floor to him.

Mr. Speaker: Mr. Martel, proceed.

Mr. Martel: What I find particularly obnoxious is if one were to look in the explanatory note under the heading “general”—and this really makes my day—it says, “The bill makes provision for the minister to alter the price on which tax is based so that increases and decreases in retail prices can be reflected by a corresponding change in the tax payable.” Decreases? When the hell is that going to happen?

We know full well the ayatollah from Alberta is desperate to get the world price. If he has his way with our friends in Ottawa—and if they do not knuckle under he will just cut back—we will have to pay a charge on what we import. Yet this government has the audacity to put in a bill that says, “. . . so that increases and decreases in retail prices can be reflected . . .” We will be here 10 more years and we will not see a reduction. To put that in a bill is irresponsible.

All they are out to do is fleece the public and they are doing a great job. When the member for Cochrane North, that great proponent of reducing costs in northern Ontario, votes for this bill he will be flying in the face of everything he has ever said. The hypocrisy is almost unbearable for this side of the House because of that member. Some of us had some confidence in him.

I will tell the government what is wrong with that piece of legislation as it pertains to northern Ontario. I want to give a few examples. We know the distances people commute in the north are much greater than in the south. Some people who live in Sturgeon Falls, in the riding of Nipissing, must commute daily to either Falconbridge or Inco, travelling at least 60 to 65 miles one way.

Hon. Mr. Ashe: People travel from Barrie to Toronto every day.

Mr. Martel: Yes, but they have commuter systems if they want. Those people do not have a commuter system and that is where it falls apart. And there is no public transit in most of those communities.

Mr. Piché: I was born and raised in Sturgeon Falls and worked in Sudbury and it is only 56 miles.

Mr. Martel: But they do not do any mining in the city of Sudbury; they have to go to Copper Cliff. And Falconbridge does not do any mining in Sudbury; they have to go to Falconbridge. Does the member understand that?

Mr. Piché: I apologize.

Mr. Martel: Thank you. My 60 or 65 miles one way is right on. The minister says, “They do that

from Barrie,” but they do not have commuter systems in the north. I will point out a few communities that do not have any type of public transit.

Hon. Mr. Ashe: Why don’t you get after them to start one?

Mr. Martel: When the minister is talking about a little community like Noelville with about 1,500 people where people, if they want to get to and from the city of Sudbury to see a doctor or if they want to get—

Hon. Mr. Ashe: What about the Sudbury region?

Mr. Martel: They are not in the region; did the minister forget that? The municipality of Noelville is outside the boundaries of the regional municipality of Sudbury by something like about 40 miles. He should tell me how they would get a transportation system. Maybe we could get the Minister of Transportation and Communications (Mr. Snow) to run a bus from the Ontario Northland Railway into Noelville, into St. Charles, into Alban, into Bigwood, into these municipalities where there is no local transit.

I do not see the minister jumping up and saying, “I will have one there tomorrow.” I am waiting for him. Would the Minister of Transportation and Communications tell me he is prepared to put a public transit system from those municipalities into the city of Sudbury? Without that, those residents have to find some means of transportation to and from the city of Sudbury or to and from North Bay in order to see a doctor, a dentist or a specialist, or to do many of the things that people here can do by jumping on a GO Transit system for maybe a buck. In the north they do not do it for a buck. That is what members here do not understand; they do not even want to understand it.

10:10 p.m.

Hon. Mr. Ashe: There are pluses and minuses wherever one lives.

Mr. Martel: The only plus for us is the government takes everything out of the north in terms of resources and puts nothing back.

Hon. Mr. Ashe: That is not true.

Mr. Martel: Not true? That is the way it is, I tell my friend. I find it really difficult to understand why the minister does not take those things into consideration and, as my colleague the member for Lake Nipigon (Mr. Stokes) says, take a look at the situation again. He should do something for those people. They are not just

taking little excursions as pleasure trips. Those people rely on cars for their work; there is no transit system.

There are people who live in the town of Capreol who have to get up to Levack. That is maybe 55 miles each way daily. They do not write their cars off. They do not write their expenses off. They cannot live in those towns. Those are company towns that have not built new housing in years. So they have to move out of Copper Cliff, Coniston, Falconbridge, Levack or Onaping. They have to travel great distances to work.

What is even worse, I say to the minister, is that frequently when there is a cutback, as there was in 1978, people who bought a home, let us say in Garson, find themselves forced to work in Levack. That is on the other side of Sudbury, north of the city of Sudbury, and they have to get all the way up to Levack. They had homes established in Garson, but because of the 2,800 men laid off, they now have to commute that distance daily. The minister should be prepared to make it possible for those people to commute, as people do from Oshawa or Barrie into Toronto. Those workers have no option.

It is not just the workers who are concerned, but other people, because the city of Sudbury is the hub and some of the communities do not have transit systems of any type. For instance, Noelville, which is a very old community—many of the people are pensioners—does not have a public transit system. People who live there have to find a way to get to Sudbury. What they have to do is pay someone to take them in, because many of them do not drive. They do not have cars, and the minister is socking it right to them. He does not take them into consideration. What bothers me is his cavalier response of, "Take some and lose some."

Mr. Piché: The Greyhound goes through there on a regular basis.

Mr. Martel: The Greyhound does not go through Noelville at all.

Mr. Piché: I know, but it goes on Highway 17.

Mr. Martel: They have to get to Highway 17. How are they going to get to Highway 17?

Mr. Speaker: We are not debating bus schedules, with great respect. Will the member get back to the bill?

Mr. Stokes: Who raised the bus? That fellow over there. Call him to order.

Mr. Speaker: With great respect, we are not talking about bus lines or buses.

Mr. Martel: We are talking about the price of gas, Mr. Speaker.

Mr. Speaker: Exactly.

Mr. Martel: I am talking about the price of gas because people have to purchase it, because they have no way of getting in. The minister interjected that people have to travel from Barrie to Toronto, but there is a public transit system there. There is no system up in the Sudbury area. What does the minister tell senior citizens who have to get in from Noelville, St. Charles and places like that to the city of Sudbury? Is he prepared to put a public transit system in?

Mr. Piché: What is the population of Noelville?

Mr. Martel: Fifteen hundred.

Mr. Cooke: Forget them. There are only 1,500. Let's forget them.

Mr. Piché: I did not say that.

Mr. Martel: We can ignore them. Then we can ignore St. Charles, which has 1,500. The minister must be prepared to deal with this with some forethought. He must be prepared to say, "Wait a minute. We have to do something differently up there." Maybe he will do something such as the member for Algoma-Manitoulin (Mr. Lane) suggested. He had a bill here a couple of times on equalizing the price of gas in northern and southern Ontario.

It could be done. If the difference in northern Ontario is seven, eight or nine cents a gallon, the government could reduce the provincial tax by that amount. It could make sure the gas companies do not charge it, just pass it on as profit. They could do something to ease it, but they do not. They bring in a piece of legislation and say: "To hell with them. It is the same for everybody, no matter the consequences." It does not matter whether they have to travel to work daily, it does not matter if there is no public transit; it is the same, and they can take their chances. That is in fact what the government has said: "You lose some, you win some." That is a cavalier approach.

Yet the minister can equalize the price of beer. How did he do that? If he can equalize the price of suds surely he should be able, being the ingenious fellow he is, to equalize the price of gas. He has an option: he can bring it down in the north or bring it up in the south. He knows where the most voters are; they are in the south, so he is not going to bring it up in the south. That does not leave any alternative but to put it down in the north. It makes sense. But no, "Sock it to them, particularly after we keep the promise of not raising taxes."

I cannot help but admire this budget for its audacity. We are increasing Ontario health

insurance plan premiums; we are increasing the gas tax, making it ad valorem; we are increasing the fuel tax, and we are increasing personal income tax. And the Treasurer says, "Well, you cannot increase the tax on the corporate sector; we have to be competitive."

But he put a book out a year ago. Do the members remember the egg-crated book that cost \$16 or \$17 a book? If the members look in that book, it says—

Interjection.

Mr. Martel: Yes, it is a good book—great stuff. It says, "Our taxes to the corporate sector are in fact lower than in those states with whom we have to compete." He mentions such states as Ohio and New York; I think he even says Texas, I am not sure. Yet he does not raise the taxes one cent to the corporate sector.

For audacity the government fellows have it; for chutzpah those guys have it, because they socked it to the public left, right and centre. As one cabinet minister said to me, "Well, we will do that for two years, and then we will throw them a fish a little later on and they will forget about all the bad times. They will forget about the ad valorem, and they will forget about OHIP and they will forget about personal income tax." Maybe he is right. Once a person gets used to paying it he goes along his merry way and he continues to pay it.

But there is no justice. I think the amount of tax paid by the corporate sector towards the budget of Ontario in 1971 was about 18 per cent, and the amount of personal tax paid made up, I think, about 34.5 per cent of the budget. I am just going by memory. But I think this year the taxes from the corporate sector are 12 per cent of the budget, and from the personal income tax route they are 48 per cent. That says something about where the government's priorities are. In fact, they are so far lost it would take a crane to pull them out. That is how far they are embedded somewhere. It is just too much.

I guess we will continue this lively debate for the next little while as we continue to try to impress that fact on at least some of the new boys. There is not much hope: the member for Cochrane North had his chance and blew it; the member for Sudbury does not want to speak to it, because there is that day when he might get to the cabinet, and should he ever cross anyone up he will never get there. So like trained seals they will all fall into line, because the golden fleece is held out in front of them and they really cannot

take a chance of ruining that. But I want to say some of the people have made the front benches because they were a little radical.

10:20 p.m.

Mr. Conway: Remember Gordon Walker's letter?

Mr. Martel: Yes, I remember the member for London South's letter of a couple of years ago. It was a little bit intemperate. It took a while but he made it. I remember the White Knight. Do members remember Allan Lawrence? He made it to the front benches. One of the ways they shut a member up is to put him in the front benches.

Let me say to the member for Cochrane North that if he wants to make it what he should do is embarrass them a couple of times. They will do what they did with the member for Cochrane South, they will do what they did with the member for Armourdale (Mr. McCaffrey); they will make him a Minister without Portfolio and silence him. I want to suggest to the member that if he wants to make that front bench he has to do something radical. He should get up and make his speech about how he opposes this, and first thing he knows he will be sitting next to the member for Armourdale. Who does he have to bump? He has to bump someone beside him I am sure, but the member will make it. If he says nothing and just toes the party line, he won't make it.

The member for Sudbury learned that. That is why he wants to nationalize the mining industry. He knows that if he gets radical enough they will move him up to the front just to make him quiet. So he is going to nationalize it. Maybe that way I will get to be president of Inco some day. The Premier keeps promising it to me, but he never delivers. He can't even keep that promise, let alone the promise about keeping the taxes down, and he sure as all hell forgot that one when he allowed the Treasurer to bring in this budget.

I say to the member for Cochrane North that if he wants to make it, tonight is the chance. He should get up there and sock it to them for seven minutes, oppose this bit of nonsense on behalf of his constituents and do what the member for Sudbury would do and say: "To heck with it. I represent the people of Sudbury. I am not a Tory except when I am in Queen's Park." When he is up there he will really sock it to the Tories. The only other guy who was able to do better than that was the member for Kenora (Mr. Bernier).

I want to tell you a little story, Mr. Speaker. I went up in 1964 and worked against the member for Kenora. He out-New-Democrated us. What wasn't he going to do? They brought him down here and put him in the cabinet and we haven't heard from him since. All he does is deliver cheques, here, there and everywhere. A \$23,000 cheque to Alban for the firefighters and something else somewhere else; he gives out the goodies.

I want to tell the member for Cochrane North that if he wants to make it big, tonight is his chance, and if he doesn't take it, the member for Sudbury will; he will beat the member to the punch. I want him to get up and make his mark tonight.

Mr. Sweeney: Mr. Speaker, as the invitation has been extended, I am wondering whether there is anybody over there who wants to speak. He wouldn't need much time. Seven or eight minutes is all it will take. No takers? No takers.

Mr. Wildman: Come on, René, this is the place to stand and the place to grow.

Mr. Piché: Those ministers are too nice. I could never do it.

Mr. Speaker: Order. Mr. Sweeney has the floor.

Mr. Sweeney: One of the points that the Premier of Ontario (Mr. Davis) and the Treasurer of Ontario (Mr. F. S. Miller) keep telling us over and over again, no matter what the particular set of circumstances is with respect to inflation, is that Ontario cannot do anything about it. We get lectured every two or three days about how it is beyond Ontario's control. We are told it is due to international events such as economic decisions that are taken in Japan, Switzerland, Bonn, or wherever the case may be. Those decisions affect inflation.

Then, of course, the second influence on inflation is those terrible people in Ottawa, the ones they are in bed with one day, not in bed with the next day and back with the following day. Those are the people who set the monetary policy for Canada and they are the ones who are responsible for inflation. But Ontario cannot do anything—

Mr. Martel: Jim Gordon wants to speak.

Mr. Sweeney: Does the member for Sudbury want to speak? Oh no, I guess he doesn't want to speak. It is just two doors down the hall there.

Anyway, we keep being told Ontario can't do anything about it. What do we do? Here we have the Premier and the Treasurer of the province ranting and railing about the impact of inflation

upon the consumers of Ontario, upon the producers of Ontario, upon the economy of Ontario; ranting and railing and they themselves are adding to inflation. Mr. Speaker, and through you to the Minister of Revenue, as has been said so many times, that is why we are opposing the legislation.

We do not disagree that the government of Ontario, like any other government, has to raise revenues. But when it does it in such a way that it automatically fuels inflation, then we have to oppose it. If there is one single commodity in our economy that this kind of ad valorem percentage-type tax should not be put on, it is fuel or any oil product. We know from experience that is one thing that is going to continue to go up in price.

We know that no matter what deal is finally struck between the Minister of Energy and Resources of Alberta, Mr. Mervin Leitch, and the federal Minister of Energy, Mines and Resources, Mr. Marc Lalonde, a deal that is going to affect all of us, it is going to mean we will have to pay more and more. By picking that commodity, the minister is fuelling inflation and there is no argument about it.

All we have to do is look at what has happened across the whole world since 1973. There has not been a single commodity in this generation that has done so much to wreak havoc upon the economies of all jurisdictions, whether we are talking of national, provincial or municipal jurisdictions. That is a second reason we have to oppose this tax, not just because it is an ad valorem tax but because of the commodity to which it has been attached.

We probably could accept ad valorem put on tobacco and alcohol. We could take a look at that because we look at the impact on the economy of the province. But when it is put on transportation fuel, then we have to stop and we have to oppose it. We have said over and over again in this Legislature that the energy problem in Ontario is limited to fuels—transportation and heating fuels. In this case, we are talking of a particular one that has a deep impact upon the economy of Ontario—transportation fuel.

Hon. Mr. Gregory: I thought you were in favour of conservation.

Mr. Sweeney: Of conservation, sure I am. But the government whip knows it has been demonstrated over and over again that simply raising the price alone is not going to affect conservation. That has been well demonstrated. That is not the reason to do it. What the government is doing with this is taking money out of the

pockets of potential consumers and affecting the economy of this province, particularly as an industrial province. That is important to us.

We talk about inflation. Let us look at some of the things that have been said by the Premier and by the Treasurer of this province. The minister should remember December 1979. That is when the minister's friend Joe Clark was the Prime Minister of Canada. Mr. Speaker, remember that terrible tax he wanted to impose upon Canadians—18 cents? There was no one in this country getting up more quickly or objecting more vehemently to that than the Premier and the Treasurer of Ontario.

It is all in the record. Everyone can find it just as I can. What did they say? They warned with

dire predictions of what was going to happen to the economy of Ontario, of how it was going to affect our manufacturing, how it was going to affect our producers, how it was going to affect our transportation, how it was going to affect our consumers. Over and over again they said what a terrible thing it was for the government of Canada, even a Conservative government at that time, to dare do that to the consumers of Ontario.

Mr. Speaker: Mr. Sweeney, I direct your attention to the clock.

On motion by Mr. Sweeney, the debate was adjourned.

The House adjourned at 10:30 p.m.

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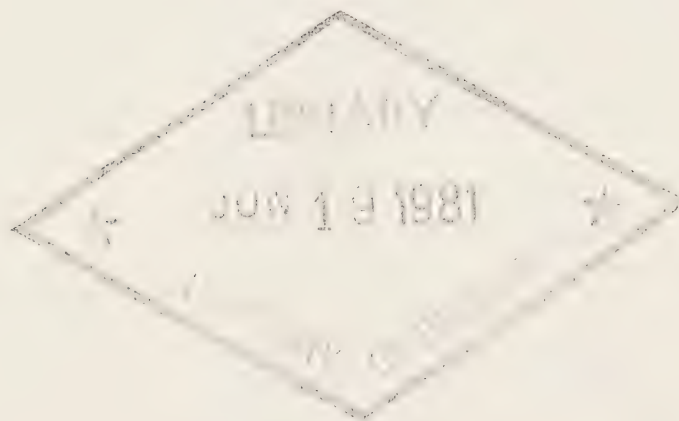
Ontario.

LEGISLATIVE ASSEMBLY

No. 41

Legislature of Ontario Debates

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First Session, Thirty-Second Parliament

Tuesday, June 9, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

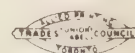
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LEGISLATURE OF ONTARIO

Tuesday, June 9, 1981

The House met at 2:01 p.m.

Prayers.

VAUGHAN LAND USE

Mr. Riddell: Mr. Speaker, on a point of privilege: I am sure you have been following the line of questioning in this Legislature on the attempt to have land in Vaughan rezoned. In answer to a question last Friday, the Minister of Agriculture and Food (Mr. Henderson) stood in his place and said—as he has said on a number of occasions; not just last Friday—that we in the opposition do not know what we are talking about when we refer to agricultural land.

Last Friday he personally invited me to visit the site to see it firsthand. I accepted that invitation and visited the site last Friday.

Like the member for Elgin (Mr. McNeil), I am a graduate of the Ontario Agricultural College, Guelph. I am also a farmer in Huron county and I think I should know as well as the member for Elgin what good agricultural land is. I went out there and saw lush growth of grain and pasture. I saw gently rolling land. In the one or two depressions, I saw a herd of Holstein cattle grazing on good lush pasture.

Mr. Speaker: Order, please. That is not a point of privilege.

Mr. Riddell: Mr. Speaker, he is questioning my expertise.

Mr. Speaker: Order. Order.

Mr. Riddell: Mr. Speaker, am I allowed to finish?

Mr. Speaker: No. It is not a point of privilege. Your privileges are not being abused in any way.

Mr. Riddell: Mr. Speaker, not only did his parliamentary assistant mislead him, but he misled the House.

Mr. Speaker: Order. Order. The member will please resume his seat.

ORAL QUESTIONS

ASSISTANCE TO FARMERS

Mr. Smith: Mr. Speaker, I have a question for the Treasurer. On Friday morning I heard the Treasurer say on radio station CKFM at 9:02 a.m. that he had between \$50 million and \$100

million to play with. That was the nature of the question he was asked. He did not use those words; it was the questioner who asked that. The Treasurer said he had \$50 million to \$100 million he would be willing to use if he thought it would help a bit with regard to the crunch farmers are facing, partly due to the high interest rates they have to pay at the moment.

Will the Treasurer tell us how he intends to use that \$50 million to \$100 million to assist people who are suffering from today's high interest rates, and would he inform the banks that he has a program in the works so they would now be told to stop any further foreclosures or forced bankruptcies until the government has brought forth its program?

Hon. F. S. Miller: Mr. Speaker, I think the nature of the question was as to the order of assistance that would be available. How would I fund it? I said I really had to depend upon the programs coming forward. If their cost was in the range of \$50 million to \$100 million, I thought we could find ways of doing it. I repeat that. I believe we can, because I do believe the problems are real and will be solved by this government.

The fact is, as the Leader of the Opposition knows, many divergent opinions were expressed. The opinions are not as numerous as the number of people in that room, but they are very many. One person's solutions do not agree with another person's perceptions of solutions, but we are trying to find out. The Minister of Agriculture and Food (Mr. Henderson) is working on ways and means of helping those people in real need, as opposed to using a shotgun approach that helps farmers who admittedly, even by the federation's standards, are not in those groups facing immediate problems. That is being done by my colleague. He is bringing those programs forward and he will find out what they are as quickly as we can approve them.

Mr. Smith: I am pleased the Treasurer and his colleague are working on a program to assist those in real need. I am pleased the Treasurer confirms that he did say he had \$50 million to \$100 million that could be available for that purpose. By way of supplementary, Mr. Speaker, would the Treasurer agree that since people are

being foreclosed even as he and I are talking, he should announce to the banks that a program will be forthcoming to help those in need and he should instruct the banks not to further any foreclosures and not to force any more farmers into bankruptcy until the nature of the government's program is ascertained?

Hon. F. S. Miller: Mr. Speaker, the Leader of Opposition has assumed the programs of assistance will relate to the forestalling of foreclosure or to interest assistance. I do not think that is a wise conclusion to jump to. There are many other structural problems out there affecting the very best managers in the food producing business, such as the price of grain as opposed to the incremental price in beef. They cannot really sell beef for less money than it costs to produce it.

I think very many efficient farmers have repeated that this is the state of affairs right now. I heard it at that meeting, and I hear it at many other meetings, that the high price of grain and the low price of beef combined have made life almost impossible for the specialized farmers who finish beef for slaughtering. We are hearing a great deal about that, and no amount of interest assistance will help that kind of problem. I hope the member will accept that.

He will also have to accept the fact that interest problems are general to all parts of society and not just to the farming industry. The small businessman and the person with a mortgage on a house are also affected by them. I am trying to find specific problems in the farm industries that can be remedied by temporary or long-term government programs.

Mr. Cassidy: Supplementary, Mr. Speaker: On a couple of occasions I have raised the case of Henry Friesen, the farmer from Mildmay, whose farm is being auctioned two or three days from today because he was unable to meet his commitments as a consequence of the high interest rates. Could the Treasurer tell the House whether the government intends to come forward with a program that will relieve farmers from the impact of the high interest rates, as the Treasurer seemed to indicate at the meeting on the airport strip with farmers on Thursday of last week; or is that simply going to be a promise that is made to be broken in the hope that he can get out of here with his political skin and without providing any assistance for farmers at all?

Hon. F. S. Miller: Mr. Speaker, in spite of some of the provocative comments the honour-

able member has made, our intent is to help where problems are real. We are not trying to find a political solution to a problem that is not real. We are trying to find ways of helping those farmers who can stay in business and weather what may be a downcycle in prices and an upcycle in interest. I think the member has jumped to the conclusion there is going to be some bail-out assistance for people who may or may not be justified in getting help.

I know suggestions have been made by the farm community that there should be a review agency—I believe it is in place—to look at those people whose farms are being seized now. The Minister of Agriculture and Food can talk more about that than I can, because I believe they have been talking more to him about it than they have to me.

Mr. McKessock: Final supplementary, Mr. Speaker: Will the new programs be announced within the next week?

Hon. F. S. Miller: I would hope so, but I cannot promise that. I think there is a great desire to hurry something, but if by hurrying a week, a week and a half or two weeks we do not have a well-designed program, I think that would be foolish. However, like the member, I would like the opportunity to announce the measures while the House is in session. That would be preferable for all of us, I am sure. It really depends upon—

Mr. Sargent: The farmer cannot take your promises to the bank.

Mr. Speaker: Order.

2:10 p.m.

Hon. F. S. Miller: I have to help the farmer with those problems that are in Ontario's domain. The implication being made by the member for Grey-Bruce is that all the problems are made by this government.

Mr. Stokes: That is the new Chicago gang, Mr. Speaker.

Mr. Speaker: I am just not sure who is from Chicago and who is not. However, let us listen to the question and the answer, and not engage in private conversations or interjections. Mr. Minister.

Hon. F. S. Miller: I was probably responding to an interjection at that point, so taking your guidance, I shall sit down.

VAUGHAN LAND USE

Mr. Smith: A question to the Minister of Housing: Given that the minister has said in this House, on the matter of the rezoning of the

lands in Vaughan, that he could think of no reason why anyone in his ministry would want to place a telephone call to the Minister of Agriculture and Food (Mr. Henderson) to ask that ministry to rethink its objection when the matter had already been sent to the Ontario Municipal Board; and given that the Minister of Agriculture and Food continues to insist he received a telephone call from either the minister or the minister's office, which sent him on this interesting mission of having the member for Elgin (Mr. McNeil) look at the land, would the minister, now that he has had several days to talk to his staff, tell this House whether he has finally determined whether he himself, or someone else in the ministry, or his parliamentary assistant at that time, the member for York North (Mr. Hodgson), actually placed the call that resulted in the Minister of Agriculture and Food sending out his own parliamentary assistant to try to withdraw an objection?

Hon. Mr. Bennett: Mr. Speaker, I said in this House last week, and again this week, in relationship to telephone calls to the Minister of Agriculture and Food regarding official plan amendment number 95 of the city of Vaughan, or community of Vaughan, that to the best of my knowledge, I was neither—

Mr. Sargent: Tell us who made the money on the deal.

Hon. Mr. Bennett: Usually the member for Grey-Bruce can explain that much better than most in this House.

Mr. Speaker, I was saying in relationship to the question from the leader of the Liberal Party that to the best of my knowledge there was no telephone call made by me to the Minister of Agriculture and Food. I do not recall one. I left open the position that it has been over two and a half years since this issue first came into discussion, which if I recall was back in September 1978, so I would be wrong to try to say unequivocally that I had or had not made a call.

The second part of the question was regarding the staff. I have spoken with my staff and to the best of their knowledge there had not been a direct call made, or a call made, to the Minister of Agriculture and Food.

On the other part of the question, I have not consulted with the member for York North, who was my former parliamentary assistant, but I do say to this House that if the member for York North happened to make a telephone call to the Minister of Agriculture and Food in relationship to the official plan amendment

number 95, which happens to be in the community of Vaughan, which happens to be in the riding that he represents, I would trust he would make it as the local member with a concern, the same as the member for Wentworth North (Mr. Cunningham), or from Kent, or any of the others.

I have no knowledge of whether the member for York North did or did not make the call, but I would say—

Hon. Mr. Pope: The member should not be so smug.

Hon. Mr. Bennett: He is always smug.

Anyway, Mr. Speaker, if he did make it, then he made it as a member and not as the parliamentary assistant.

Mr. Smith: Supplementary, Mr. Speaker: The story that is being concocted is obvious, but if the minister does not know that the member for York North made the call, I would ask him how he knows for sure in what capacity he would have made the call, if he had made the call.

How does the minister account for the fact that the Minister of Agriculture and Food regarded it as a call from the Ministry of Housing, since the Minister of Agriculture and Food, after these many years of serving with both the Minister of Housing and the member for York North, knows the difference between the two of them? How would the minister account for the fact that the Minister of Agriculture and Food felt it came from the Ministry of Housing and not from the individual member acting as the member for York North?

In addition to that, may I ask the Minister of Housing whether he is aware of two things? First, is he aware that the profit, the increase in the value of the land in Vaughan by a mere stroke of the pen—by that mere action, or by the cabinet's taking that action—had the Ontario Municipal Board agreed with the Minister of Agriculture and Food, would be \$88.8 million? Is he further aware of the statement made by the member for York North, who said he would not answer any questions as to whether he made the call or not, but who said that if the government asks him to make a statement, he will make a statement? Will the minister take the muzzle off and let the member for York North answer a straightforward question?

Hon. Mr. Bennett: First of all, Mr. Speaker, I would think the Leader of the Opposition would like to rephrase his opening remarks. I did not concoct any statement. I want to make that very

clear to him. He seems to want to be so smug there. He always thinks it is only his members who are sanctimonious and able to ask ministers questions.

Interjections.

Mr. Speaker: Order. Answer the question, Mr. Minister.

Hon. Mr. Bennett: Mr. Speaker, I want to make it very clear: I did not make any indication that the member for York North had made a call; I said that if he happened to have made the call—

Mr. Breithaupt: Is the minister going to ask him?

Hon. Mr. Bennett: I do not intend to ask the member for York North, no.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett: I want to answer the other part of the question, just to keep the Leader of the Opposition in his place. I did not put a muzzle on anyone in this House, nor should I. I am sure that if the member for York North has something to say to this House, he has said it before and he will speak again in this House without any hesitation or without any prompting from the Leader of the Opposition. I give members that assurance.

Very clearly, if a call was made—and I want to emphasize this again: if the call was made, and I have no idea whether it was or not—then I trust the member for York North, as an elected member in this House representing the community of Vaughan, has a right to ask me, or the Minister of Agriculture and Food, or the Minister of Transportation and Communications (Mr. Snow), or anybody else, to have a certain item reviewed, the same as the members over there have asked this ministry and other ministries to review items.

Mr. Cassidy: Supplementary, Mr. Speaker: Since it is now clear that any advice that either the Minister of Housing or the Minister of Agriculture and Food would give to cabinet on the appeal to overturn the OMB's decision on this particular official plan change in Vaughan would be politically tainted because of their involvement with the case up until now, would the Minister of Housing agree to have independent agronomists and farmers appointed by the Ontario Federation of Agriculture advise whether the land in question should be kept in agriculture under Ontario's food land guidelines or whether it could be taken out of it?

Would the minister agree to have that advice made public, and would he agree to have the cabinet abide by that decision of independent outside authorities rather than leave this decision about farm land preservation in Ontario to a cabinet that is not capable of making that decision?

Hon. Mr. Bennett: First of all, Mr. Speaker, I am sure my views and opinion on this particular item would not be tainted to the same degree that the leader of the third party's opinion on the subject happens to be already.

I do not intend to recommend to cabinet at this point that we retain consultants or others to do certain agricultural surveys in that particular area. We have a Ministry of Agriculture and Food with a number of very well qualified people who can give us that particular advice and guidance—

Interjections.

Mr. Speaker: Order.

Hon. Mr. Bennett: When I say that we happen to have people in that ministry who can give the advice, the same Mr. Pinder who gave us the advice on this particular piece of land also gave us advice on the Kent land. It was not accepted by the Liberal member as being a reasonable position to be taken by the Ministry of Agriculture and Food, and he asked this minister to review the situation. We did not hire consultants to go back out and review the situation; not at all. Through negotiations we were able to find a compromise that allowed for the development that the member from Kent wanted in that particular area. The item will go to cabinet. It will be decided in cabinet on the facts as they are.

2:20 p.m.

Let me say in relation to one point I missed in the question from the Leader of the Opposition, the point about the \$88.8 million, I would be delighted if he could supply me with how he got those calculations. I do not have them in front of me. Let me say there is no profit made on any commodity until it has changed hands and the cash has been rendered.

Interjection.

Hon. Mr. Bennett: I could not care less what item the member for Ottawa East (Mr. Roy) is talking about. The fact is there is no profit made until there is some exchange of sale. The OMB has rendered a decision and the cabinet, with advice given by my ministry, by the Ministry of Agriculture and Food and by others involved, will make a decision on that appeal.

Mr. Smith: According to real estate experts in Thornhill today the current value of agricultural land in agricultural use in the town of Vaughan east of Kleinberg is \$8,000 per acre, and the current value of undeveloped residential estate land in King City is \$75,000 per acre, the difference being \$67,000 per acre. Since there are 1,326 acres, a mere stroke of the pen therefore increases the value of that land by \$88.8 million. Given those are the figures, and given this is an extremely serious matter in which the cabinet can hardly be trusted to make an objective decision, since it is trying so hard to obscure the facts right now, would the minister—

Interjections.

Mr. Smith: I know he is knee deep in this scandal and I know he does not like to hear about it. I know how it feels.

Interjections.

Mr. Speaker: Order. Will the honourable member resume his seat, please?

Mr. Smith: I am sorry, Mr. Speaker. They are talking and I am going to stand until they are finished.

Interjections.

Mr. Speaker: Order. Can we just settle down and proceed with question period in an orderly manner so that we can hear the questions, we can hear the answers and we will all be much wiser. Proceed, Mr. Smith.

Mr. Smith: Given I have now answered the points the minister wanted to know about the basis of the figure of \$88.8 million, and given the seriousness of this matter, will the minister finally and at some point tell the House who made that call? If nobody made the call on behalf of the Ministry of Housing, is the minister not concerned that the Minister of Agriculture and Food continues to say he was sent on this unusual mission in the middle of an OMB hearing by someone from the Ministry of Housing?

Hon. Mr. Bennett: No, I will not say he was sent on a mission by anyone at a request from the Ministry of Housing; not at all. Frankly, I have great—

Mr. Peterson: Do you employ any gremlins?

Hon. Mr. Bennett: I would think they are all within the Liberal Party, the way things are going on today. They must have a lot of research staff who can sit for two and three days at the OMB reviewing the files.

Interjections.

Mr. Speaker: Order. Mr. Bennett, just answer the original question.

Hon. Mr. Bennett: I will attempt to, Mr. Speaker. I gather the Leader of the Opposition was reviewing some of the costs of land and so on. It is so easy to throw out figures about what an acre of land is worth, forgetting about costs or interest or servicing or anything else. I do not accept the figure of \$88.8 million. As well, I think it is irrelevant at this point.

I say to this House very honestly, I do not know who made the phone call, if one was made to the Minister of Agriculture and Food. I say that clearly.

Mr. Breithaupt: And you will not find out.

Hon. Mr. Bennett: I said I do not know. I am not the Minister of Agriculture and Food; I happen to be the Minister of Housing. I would suggest the Minister of Agriculture and Food, if he received a call, took the action he thought was appropriate. He had his parliamentary assistant do a survey of the situation and report back to him.

HOUSING PRICES

Mr. Cassidy: Mr. Speaker, since the Ministry of Housing seems so unconcerned about protecting farm land, I have a question for the minister about the affordability of homes for people who want to have houses of their own, particularly in Metropolitan Toronto.

In April the minister told this House he did not acknowledge there was a crisis in the housing market in Metropolitan Toronto. Since the average price of a house sold in the Metropolitan Toronto area rose by almost eight per cent in April, and since it rose again in May by 6.5 per cent, to reach the level of \$93,176, will the minister now acknowledge there is a crisis in terms of affordability of housing in the Metropolitan Toronto area and tell us what the government is going to do about it?

Hon. Mr. Bennett: First, Mr. Speaker, I have said before and I repeat again today, I do not believe there is a crisis in the housing industry in this province or in this community. I do not believe it. I make that very clear, and I think I am supported in that position by my colleagues not only in other provincial governments but in the federal government as well. We have said there is an affordability problem in certain cases; there is no doubt there is. Some people are trying to buy homes—and I have said this before and I must be open and frank about it—that are beyond their ability to carry.

I trust the leader of the third party also reads a few newspapers, including the Toronto Star,

which for a long period of time ran stories saying that the situation in housing was getting beyond the affordability position of all in this province. He will remember back about a month ago, day after day it ran pictures and stories about the cost of housing. I give the Star full marks in the last week or 10 days. It has now started to show there are units available in Metropolitan Toronto and in the Toronto general regional area at a reasonable price. They may not all come up to the expectations one would like to have of the ideal home, but people on average incomes have the opportunity of buying and owning them.

Mr. Cassidy: Supplementary, Mr. Speaker: If I could take the minister up on that, particularly since again in April he said there were homes available in Metropolitan Toronto for the average income earner, the minister will be aware of the fact that the average income earner in November of last year made about \$17,200 a year as the average industrial wage. That has gone up a bit since last November, but taking the accepted ratio of 30 per cent of income, the average industrial wage earner in Metropolitan Toronto could afford, at today's mortgage rates, to buy a house worth \$28,000 or less—and nothing more.

Will the minister explain how that average industrial wage earner is to buy a home, when out of the 2,900 houses that were sold in the multiple listing service area in May there were all of 30 apartments that may have been selling for less than \$28,000 and six town houses that could conceivably have been sold for less than \$28,000? In other words, when only one per cent of the property changing hands in the month of May was accessible to that wage earner on the average industrial wage, how can the minister say there is no affordability crisis for people on ordinary incomes who want to buy homes in Metropolitan Toronto?

Hon. Mr. Bennett: First, Mr. Speaker, we might as well be very realistic about life. Not everyone is going to be able to own a home in our society, and not everyone is going to want to own a home in our society. Frankly, under the assisted home ownership program a number of people were brought into ownership, with the federal and provincial governments' assistance, who should not have been there—

Interjections.

Mr. Speaker: Order.

Mr. Sargent: On a point of order, Mr. Speak-

er: We have this minister talking about affordability when he is trying to buy a home on—

Mr. Speaker: Order. There is nothing out of order. That is not a point of order.

Hon. Mr. Bennett: I wish to say very clearly that under the assisted home ownership program that the federal and provincial governments got involved in several years ago, in some cases the mortgages on those homes are now coming up for renewal. I am sure the leader of the third party will know very well that some of those people who went in under a subsidized program should never have been encouraged by government at any level to get into ownership, because they now find themselves with a cost factor that is beyond the 30 per cent of their gross income needed to maintain their particular residences.

I say again to the member, without knowing all the facts in relationship to the \$28,000 and knowing whether someone has a down payment or what the down payment might amount to in the purchase of a home, there are still homes in the affordability category in this community and in this province.

2:30 p.m.

Mr. Cassidy: Where are they for \$28,000?

Hon. Mr. Bennett: The member should read the Toronto Star. Lately they have been running some that are in the \$39,000 category.

Mr. Cassidy: You cannot afford it on \$18,000 a year.

Mr. Speaker: Order. With great respect, you have asked your supplementary and the minister is responding. Please proceed.

Hon. Mr. Bennett: I conclude by saying there are units in an affordable category in this community. For once, I would hope members would realize not all the housing situations are in the Metropolitan Toronto area. There are other communities in this province, perhaps to the surprise of the leader of the third party, where units are selling for less today than they originally sold for.

I am talking about London and communities in other parts of Ontario where housing prices have not kept anywhere close to the inflationary fact we have been dealing with in this province and this country over the last five years. The cost of housing in most of those communities has been somewhat below it. Those members should not always take Toronto as being the only example of what is going on in the great province of Ontario.

Mr. Conway: Supplementary, Mr. Speaker: I believe I heard the minister say that part of the current difficulty was a function of a number of people trying to buy beyond their means. Would the minister help us to understand the nature and extent of that problem by supplying us with any statistical analyses he has of that aspect of the difficulty? How many people does he know of who are compounding this difficulty by trying to buy beyond their means?

Hon. Mr. Bennett: I am not sure I would want to imply that these people were compounding the problem. In talking with the industry, and indeed in talking with my own people in the Townsend project, while we have a variety of models at varying prices—

Mr. Nixon: You only have about 10 houses down there.

Hon. Mr. Bennett: The member for Brant-Oxford-Norfolk should know. It is down in his area. We are doing fairly well.

Interjections.

Hon. Mr. Bennett: Those two sound great as a pair. They should go on the stage. They are in unison for the first time.

We find in discussion with the industry that people are going into the new housing market and buying homes at the top of the range with all the frills they can possibly work into those models. I am saying that when people are buying a home they are going to have to trim their desires to fit the cloth they have to cut and spend according to what their income happens to be. They should not try to buy a Cadillac when the best they can afford is something in the Chev classification.

Mr. Cassidy: Would the minister stop the doubletalk and come to grips with the issue? There are people who work in Metropolitan Toronto and therefore cannot live in London or Townsend. There are people who are earning the average industrial wage, which is about \$18,500 a year. Therefore if there is only one income in the family, these people cannot pay more than \$28,000 for a house if they have a 10 per cent down payment.

Will the minister tell us where those people are going to buy a house when there were only six condominium town houses that sold for less than \$35,000 in the Metropolitan Toronto listing region, which goes into Durham, York and Peel as well as Metropolitan Toronto?

Is this Minister of Housing saying that keeping the promise as far as he is concerned means a family on the average industrial wage will only have the right to rent in the future?

Hon. Mr. Bennett: No, Mr. Speaker. If someone is interested in purchasing a home there are certain things in life one has to sacrifice or give up to try to achieve that desire. It is fine to suggest that individuals with a certain income are not going to be able to afford to buy a home; I have to recognize that fact. In the past our experience with the assisted home ownership program was not good. We led some people into purchasing who should not have done so. They are now experiencing extreme difficulty, if not giving up the units they thought would be their worldly possessions.

Let us draw a clear distinction from what the leader of the third party is asking. He is talking about what was sold in this area on the multiple listing service. I suggest we look at the listed properties for sale and the price range in which they happen to be.

I emphasize again that this government's intention is to allow people to get into home ownership, but if the honourable member thinks it is going to be possible for this government or the federal government to design a program that will allow home ownership to people of all incomes, he is living in a fool's paradise. It is not possible.

To answer the latter part of the NDP leader's question, I think that we in the government have an obligation, and we are attempting to do it, to provide—

Mr. Cassidy: That is a sad comment after 38 years.

Hon. Mr. Bennett: A sad comment? Let me tell the member that this province has nothing to be ashamed of in its housing stock, not a thing. We have nothing to be ashamed of, whether it be in the private sector or under the Ontario Housing Corporation. We have a housing stock that is second to none anywhere on this continent, and I give the development industry and the investors full marks for what they have been able to do in providing adequate housing for the people of Ontario.

Mr. Cassidy: It's too bad the people can't get into it.

Mr. Speaker: Order.

Hon. Mr. Bennett: Through the Ontario rental construction loan program, we trust we will be able to get a number of units on stream for rental purposes at a reasonable rate.

INTEREST RATES

Mr. Cassidy: Mr. Speaker, I have a question

for the Treasurer, who is among other things the man responsible in the government for the profiteering by the banks.

Has the Treasurer had the privilege of reading the advertisements that were placed in Monday's papers by the Bank of Montreal? The bank placed the ads in the *Toronto Star* at a cost of \$12,418 and in the *Globe and Mail* at a cost of \$17,907, which were tax deductible contributions to those newspapers. The bank used its excess profits to defend its right to make excess profits on the basis of the high interest rates.

Will the Treasurer give an undertaking that, rather than forcing the banks—which have all said they want to carry on this kind of educational campaign—to use our money on a public relations campaign that we will pay for, the government of Ontario will bring in an excess profits tax on bank profiteering on interest rates and use the proceeds to protect people from the impact of the high interest rates?

Hon. F. S. Miller: Mr. Speaker, I do not think, even by the wildest extrapolation of accountability, that the province of Ontario is responsible for the profits or lack of profits in the banks of this country. They are federally chartered institutions, and the leader of the New Democratic Party knows that. He knows the basic corporate tax laws are federal.

At the provincial level we have taxed them at the highest of the provincial rates, and we have the highest capital tax on banks as opposed to any other type of industry—double that of the average company in this province. I do not say that with pride or otherwise; I say it as a matter of fact.

Apart from that, one of the great differences between the New Democratic Party and my party—and I believe even the Liberal Party shares this with us—is we believe that, in a system such as we have in North America, corporations are set up to make a reasonable profit. That in no way explains the current profits of the banks or otherwise. I am simply saying that is one of the objectives of corporations.

In countries of the world where parties such as the honourable member's have been able to get into power, they not only have eliminated profit but also have doubled the cost of everything.

Mr. Cassidy: Perhaps as a matter of tax policy the Treasurer can explain to this House why it is that over the course of the last 10 years he and his predecessors have raised personal income tax revenues to the government of Ontario by

250 per cent, from \$1 billion to \$3.5 billion a year, but over that same period of time the combined federal and provincial tax on bank profits, which have gone up tremendously, has gone up by only 14 per cent.

Why is it that when the Treasurer brought down his budget a few weeks ago he was content to sock it to individuals of the province in terms of increases in personal income tax once again, but he was not prepared to take anything away from the banks despite the huge increases in profits they have had and their profiteering on interest rates?

Hon. F. S. Miller: A couple of interesting facts: First, the honourable member knows that personal income taxes and the rates at which they apply are indexed in Canada. The saving to the taxpayers of this province through indexation alone this year will be about \$1.6 billion more than it would have been had we followed the American system of not indexing. Therefore, through the co-operation of the federal government and most of the provinces of Canada, we have been protecting individuals from a great deal of the impact of inflation on personal taxes.

Second, we do nothing at all to index taxation for corporations; so there is no such cushion in the rates for corporations and they do pay. I do not know if the member's percentages are right. I think they may be suspect. I would like to check them. But if that is the percentage change, that is the percentage change in their profit. We in no way cushion them from the devaluation of money when it comes to taxation.

2:40 p.m.

Mr. Smith: Supplementary, Mr. Speaker: The policy of high interest rates, which has developed in the United States of America and carried over into this country, will have an impact on the small business sector disproportionately severe in comparison with the impact on larger companies and will result in a further concentration of power in the hands of a smaller number of companies big enough to withstand the rates, which companies can pass them on in the form of price increases, thereby contributing to inflation.

Given those facts, it is essential that something be done to help small business. Will the Treasurer call in the presidents of all these financial institutions, the banks in particular, and ask them—instruct them, if necessary—to give a special break to small business in terms of

a rate just under the prime rate, the way the Bank of British Columbia does, and to give the small business people in this province some reasonable assistance, even if it means their profits have to be a trifle lower?

Does the Treasurer not think he ought to do something to recognize that Ontario's backbone resides in the small towns and the small businesses? They are going to the wall at the moment. Call in the banks and make them help with regard to assisting small business.

Hon. F. S. Miller: Mr. Speaker, the honourable member speaks as if he is a real authority on small business. Has he ever owned one? I wonder. That is a rhetorical question, because I know—

Mr. Smith: My father did, and I assisted him in his store.

Hon. F. S. Miller: Sit down!

Mr. Speaker: Order. The minister may choose, for the edification of the members, to answer the question as he sees fit or not at all.

You have asked your supplementary. Give the minister the opportunity of replying.

Hon. F. S. Miller: The Leader of the Opposition wants to dish it out, but he cannot take it. He is a blithering idiot. Any time anybody asks anything of him, he starts to froth at the mouth. He stands up there—

Interjections.

Mr. Speaker: Order, please. Mr. Miller, are you going to answer the question?

Hon. F. S. Miller: I will, Mr. Speaker.

Mr. Smith: On a matter of privilege, Mr. Speaker—

Some hon. members: Sit down!

Mr. Speaker: Order.

Mr. Smith: Don't wave your finger at me.

Mr. Speaker: I am not waving my finger at anybody.

Some hon. members: Sit down!

Mr. Speaker: Order.

Mr. Smith: On a point of privilege, Mr. Speaker: I do not believe that the rules of this House make it appropriate or parliamentary for the Treasurer to refer to me or anybody else in this House, even members of his own caucus, as blithering idiots or as foaming at the mouth, particularly when they are simply attempting, as I was, to respond to his question of whether I have ever owned a small business.

I wanted to say that I have been a part owner of a small business. But, more than that, my

father owned a small business and I helped him with it every weekend when I was going to school. I have some idea of what it means when a small business is put to the wall by banks, which the Treasurer does not.

Hon. Mr. Ashe: Give him a medal.

Mr. Speaker: Order. A new question; the official opposition.

Mr. Breithaupt: Let the minister give the answer instead of just making that kind of comment.

Mr. Speaker: No. That was the final supplementary.

Mr. Cassidy: On a point of order, Mr. Speaker: I ask you to ask the Treasurer to withdraw the comments he made about the Leader of the Opposition in the interest of preserving some sense of decorum in this Legislature.

Mr. Riddell: Show that you've got some backbone.

Mr. Speaker: Order. I think the observations were inappropriate, and I ask the Treasurer to reconsider them and withdraw.

Hon. F. S. Miller: Mr. Speaker, I will always be guided by you. It seems funny to me that they are able to ask all those questions—

Some hon. members: Withdraw.

Mr. Speaker: Order. Let us just settle down and the Treasurer will proceed.

Mr. Laughren: It is your funny friend who is causing the problem.

Mr. Speaker: Just a minute. Settle down.

Hon. F. S. Miller: I withdraw, Mr. Speaker. I was trying to answer the question.

Mr. Speaker: That calls for a new question from the official opposition.

NURSING APPLICATIONS

Mr. Wrye: Mr. Speaker, I have a question of the Minister of Colleges and Universities.

The minister will remember saying, in an answer to a question posed by my leader last month, that the random selection of acceptable candidates for nursing positions at community colleges was, to use her words, "the fairest process possible."

Undoubtedly, she now will be aware of the views of the 800 members of the Ontario School Councillors' Association, an organization with representatives at all levels of the educational system. In the words of Jack Paquette of that association, they "vehemently opposed the use of such a lottery system in identifying applicants for offers of admission."

Does the minister agree with those views? If she does, when will she move to implement them and rid the province of the lottery system?

Hon. Miss Stephenson: Mr. Speaker, as I explained very patiently and very clearly at the time the question was originally asked, the lottery or random selection process is used only as the final selection process. It is used only when the number of qualified applicants as selected by the various methods established by the faculties of nursing in the community college system have been exhausted and the number of qualified applicants is greater than the number of places available. At that time, and only at that time, is that random selection process used.

It is a matter that has been subjected to very critical scrutiny throughout the nursing program and throughout the college system, and it has been examined on a number of occasions. The fact is that the colleges and those involved have felt this was the fairest way to make selections from equally qualified individuals at the end of a selection process.

Mr. Wrye: The minister obviously will be aware of the views of John Vanderlee, who is the head of the nursing program at Algonquin College of Applied Arts and Technology, where 110 qualified applicants were turned away. He said some of the 130 accepted might be inferior to those turned away and promising careers are ruined in this fashion.

If the minister is so unimpressed with the views of the councillors' association, perhaps she would care to comment on the views of the Registered Nurses' Association of Ontario. Their position paper, a copy of which the minister was sent last March, suggested a total of eight detailed criteria for admission to nursing programs. The criteria do not include any lottery system; in fact, they have been proposed, according to the executive director of the RNAO, as an alternative to this present silly system.

Hon. Miss Stephenson: The honourable member is not entirely correct—

Mr. Smith: He is so.

Mr. Speaker: Order.

Hon. Miss Stephenson: —in that he is saying the recommendations made by RNAO are the only recommendations that should be followed.

The RNAO, in my meeting with them not more than 10 days ago, said when the criteria they had suggested should be included were used and there were still more qualified applicants than there were places, obviously some

additional method had to be used. I asked what should be the additional method. They did not have an alternative to random selection of that fully qualified group.

The matter is under consideration. It is not etched in stone, but at present it is the one that seems fairest for equally qualified individuals.

Mr. Wildman: Supplementary, Mr. Speaker: Is the minister satisfied that there are enough places available for qualified applicants, especially in view of the shortages that have been experienced by some public health agencies and by organizations such as Algoma Manor, which is in my riding and which is considering closing one wing because it cannot get enough nurses?

2:50 p.m.

Hon. Miss Stephenson: Mr. Speaker, one of the unfortunate facts of life is that there are 24,000 qualified registered nurses in Ontario who are not practising nursing. If there were some improvements in flexibility for employment for many of those nurses, I think a considerable number would seriously consider going back to the practice of nursing.

We do not truly have a shortage of qualified personnel. What we have at present is a distribution problem and a fact that certain of the qualified nurses are not practising nursing.

LAKE SIMCOE POLLUTION

Hon. Mr. Norton: Mr. Speaker, this is supplementary to an answer I provided to the Leader of the Opposition yesterday when he raised a question, not about froth but about slime in Lake Simcoe. Perhaps I can cast a little slime on the froth this afternoon and respond further to his question, particularly with regard to the loading of phosphorus in Lake Simcoe.

It is my understanding that in 1975 the loading of phosphorus in Lake Simcoe was approximately 138 metric tons. By the time the report to which he referred was completed, I believe in late 1979, the phosphorus loading had been reduced to 103 metric tons. As I recall, the report at that time set a target for maintaining that level, and the ministry subsequently set a target for 1983 of 87 metric tons.

I can advise the honourable member that the best estimate of the loading in 1980 was 99 metric tons, which represents some reduction from 1979 and a movement in the direction of that target.

The testing that is being done in Barrie will be completed shortly, and I am pleased the preliminary indications are that system will be success-

ful and can lead to Barrie achieving the projected target, I hope, by 1983. As soon as that testing is completed in Barrie, the equipment will be moved to Orillia and similar testing will be done there.

In the meantime, the ministry has been monitoring the quality of the main Holland Marsh drainage canal for some time now and has been collecting data on the variations in the phosphorus levels there. This information is necessary and will be helpful to us in the treatability studies that will be done next spring with respect to the spring discharge of water from the marsh into the lakes.

Perhaps contrary to the impression the honourable member had yesterday, progress is being made. It is true that the target date of 1983 for the completion of the York-Durham sewer, which I think was established in the 1979 document, has been extended to 1984. As I understand it, that is a realistic construction target.

Mr. Smith: Supplementary, Mr. Speaker: Since the minister has admitted the 1983 target will not be met with regard to the Aurora-Newmarket sewage, will he not agree that the 1983 target is unlikely to be met with regard to Holland Marsh either, since work has hardly even begun there?

In particular, in the Barrie and Orillia matter, will he start cost-sharing discussions with those municipalities on the basis that it was promised they would begin a year ago and they have not yet started? Will he go ahead with the cost-sharing discussions now and be sure that, once this preliminary testing is done, we will move ahead with full speed?

Hon. Mr. Norton: I am not sure of the dates, but it is my understanding that there were meetings between my predecessor, Dr. Parrott, and the officials from Barrie and Orillia. It is also my understanding, and I believe it has been communicated to them, that we would be prepared to share costs over and above the normal subsidy levels by sharing the excess above the normal subsidy levels on a 50-50 basis, which would be a substantial improvement over what would otherwise be their entitlement.

ASSISTANCE TO FARMERS

Mr. MacDonald: Mr. Speaker, I wish to repeat one of yesterday's questions to the Minister of Agriculture and Food in the hope that this time I might get an answer.

Since the Ontario Federation of Agriculture

presented a three-point program to him two months ago—a program that is specific, a program that is workable in that it just duplicates what most other provinces have already instituted, and a program that is prioritized into short-term and long-term needs—why is it that at the meeting at the Constellation Hotel last week the minister and his colleagues, including the Premier, had no reply at all to that proposal made two months ago and instead pleaded for some suggestions from the farmers so he might finally get at this topic?

Why did 1,000 farmers and their farm women have to drive hundreds of miles to the Constellation Hotel to break through the insensitivity and irresponsibility of this government, when it has not acted on programs given to it two months ago?

Hon. Mr. Henderson: Mr. Speaker, it appears quite clear that the honourable member has not been listening to what has been said in this House on many occasions.

First, the meeting he is referring to was one that I called; I do not know the date, but I will say it was six weeks ago. At that time the federation suggested there should be more money available through the Farm Credit Corporation to assist the farmers. I did take that message to Ottawa when the provincial ministers met with the federal minister.

They also suggested that the funds should be made available to the individual farmer on the same basis they are made available to a corporation. I took that message to the federal minister. He agreed to take it to his cabinet colleagues, but he has not responded beyond that.

I might say that when I took the idea of additional funding for the Farm Credit Corporation to Ottawa, the minister made me aware that he had \$500 million and if he were to satisfy the complete community he would need \$1 billion. He agreed to take that to cabinet too, but so far there has been no response.

I could go on but, I think if the honourable member remembers, I told him last Thursday that I had carried out the wishes of the Ontario Federation of Agriculture. We still had a difference, and I openly admitted it. The federation felt that we should come up with some sort of interest subsidy. I readily accepted that we had a different point of view at that stage. But beyond that, the president of the federation and I have pretty well agreed that I had carried his messages to the appropriate people.

Mr. MacDonald: Other than the minister playing his role as an errand boy by carrying

things to Ottawa, will he respond on what the provincial government's response has been to the specific things within the jurisdiction of Ontario that were asked by the OFA? There are a half a dozen things in that three-point program that are strictly provincial. Can he cite any to which he has responded?

Hon. Mr. Henderson: Mr. Speaker, I do not know how one gets a half a dozen things in a three-point program. That is kind of double mathematics to me.

Mr. Foulds: Have somebody read it to you.

Mr. Speaker: Order.

Hon. Mr. Henderson: It is Socialist mathematics. Our Treasurer has responded to these questions fully today.

Mr. Nixon: Supplementary, Mr. Speaker: Does the minister not agree that the province does have some responsibility in this connection just as we have in providing some assistance for Chrysler and Massey-Ferguson and even for finding money for the development of the paper industry in the north?

When is he going to stop being just the errand boy for the Treasurer and the Premier, Messrs. White-Lipped and Trembling, who sit here smiling while he has to defend the indefensible? Why can we not have a provincial program similar to those that have been established in the other provincial jurisdictions?

Hon. Mr. Henderson: Mr. Speaker, our Treasurer does not need to be defended by anybody. He is very capable and quite capable of putting his own decision across. He has done that today.

I remind the honourable member across the way that \$120 million of my budget each year goes in direct subsidies to the farming community. We do not forget the farmers; we have done that year in and year out.

3 p.m.

CANADA'S WONDERLAND

Hon. Mr. Elgie: Mr. Speaker, yesterday the member for Hamilton East (Mr. Mackenzie) raised a question with the Premier concerning employment practices at Canada's Wonderland. He referred in particular to complaints by the International Alliance of Theatrical Stage Employees, the Toronto Musicians' Association and Canadian Actors' Equity Association to the effect that their members had been denied jobs by the employer.

As members know, the rights of trade unions and their members in Ontario are governed by

the provisions of the Labour Relations Act. One of the key provisions of that act is section 3, which provides that every person is free to join the trade union of his own choice and to participate in its activities.

Over the years the section has been construed to permit persons to make a free choice as to whether or not to belong to a trade union. There is nothing in the Labour Relations Act which requires an employee to engage union employees unless the union has acquired bargaining rights and has negotiated a condition in its collective agreement requiring union membership as a condition of employment.

To my knowledge, none of the three organizations that have raised complaints against Canada's Wonderland has acquired bargaining rights at that location. While I appreciate that those organizations do not normally utilize the provisions of the Labour Relations Act to gain recognition, nevertheless the provisions of that act are open to them. There is no other statute for which I or any of my colleagues are responsible that requires the employer to extend voluntary recognition to unions or to employ union members.

I understand the nature of the concerns that these three organizations have expressed, namely, their desire to see Ontario residents who have made career choices as musicians, actors or stagehands to have all available employment opportunities for which they are qualified. At law, the only way those objectives can be pursued in this province, and indeed in all other provinces of Canada, is to obtain bargaining rights either by certification or by voluntary recognition in accordance with the applicable labour laws.

Mr. Cassidy: Supplementary, Mr. Speaker: Does the Minister of Labour think it is acceptable that the Taft Broadcasting Company of Cincinnati, which came into Canada to put up the Wonderland complex at Maple, brought its attitude from the United States into Canada, which was that under no circumstances did it want to have any union in the park at all?

Should not that company at least have been prepared to sit down and meet the reasonable requests of the entertainment unions concerned to meet with them and discuss the possibility of using union labour there, rather than importing into Canada anti-union practices that belong only in the United States?

Hon. Mr. Elgie: Mr. Speaker, I have made it very clear that I understand the position the members are taking. I also understand that they

have never followed the traditional methods of obtaining bargaining rights. The leader of the third party understands that too.

What I am saying to him is that this government by law has no authority to require any employer to voluntarily accept recognition of anyone as a collective bargaining agent. There is a procedure outlined in our law; it is not comparable to anything in the United States and, in my opinion, it is a great improvement over what is available there. There is nothing by law that we can do to change those relationships.

Mr. Cassidy: Since the Premier was prepared to go there and to help open Wonderland, is the minister prepared to use the influence the government has to intercede with Wonderland's management, the Taft corporation, and to ask them to meet with the unions and deal fairly with those workers?

Hon. Mr. Elgie: This minister is prepared to do anything that he has an obligation to do under the laws of this province.

HOG STABILIZATION PAYMENTS

Mr. Yakabuski: Mr. Speaker, I have a question of the most popular minister in the House, the Minister of Agriculture and Food.

On May 22, when the Minister of Agriculture and Food rose in the House and told us what he thought about Mr. Whelan's plan regarding the farm income stabilization legislation, he went on to say: "Mr. Whelan announced that Ontario's hog stabilization payments would be deducted from the federal hog payment. He made this announcement in the name of leadership and equity. I quote what Mr. Whelan said, 'The federal government must show leadership in providing an equitable national level of assistance'."

My question to the minister is, how could Mr. Whelan make such a statement when a Quebec farmer across the river from Renfrew county—my area—receives the equivalent of \$2,400 a year in transfer payments from Ottawa, and a Renfrew county farmer on the west bank of the Ottawa River receives the equivalent of \$160 a year?

Hon. Mr. Henderson: Mr. Speaker, I still have that announcement here, and I would have no trouble quoting to support what the honourable member is saying.

We in Ontario feel that we have been penalized. We do not know why, but immediately upon receiving—

Hon. Mr. Bernier: Look at the smiles on their faces.

Mr. Speaker: Order.

Hon. Mr. Henderson: I realize they are smiling over there, but I do not know why.

Immediately on receiving word from the federal Minister of Agriculture I did send a joint telegram to him with Doug Farrell, the president of the Ontario Pork Producers' Marketing Board. We pointed out to the federal minister that to the best of our knowledge we had exactly the same stabilization in the sow-weaner program for the hogs in Ontario as in the province of Quebec, and we requested a meeting with him last Thursday morning.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Henderson: Mr. Whelan was away at the time. His staff acknowledged my telegram. It is my understanding—in fact, I more than understand it—that Mr. Henry Ediger of my staff was invited to attend a meeting last Thursday with the hog producers and Mr. Whelan. When they presented the position of Ontario to Mr. Whelan he pointed out to them that his staff gave him a different story than our Ontario hog producers had themselves. He was going home to Essex last Friday, but he assured them he would talk to his staff and try to get back to them.

As of Monday morning when I came in to Toronto, Mr. Earl Haslett, my economist, and Mr. Henry Ediger have both been standing by, ready to go to Ottawa tomorrow or Thursday to meet with the federal minister to try to get the equity for Ontario farmers to which we are justly entitled to give us equality with the other provinces. If we do not get that, we are being punished \$7 million by the federal government, and we do not know why.

INTRODUCTION OF BILLS

TORONTO ISLANDS AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Hon. Mr. Norton, first reading of Bill 103, An Act to amend the Toronto Islands Act, 1980.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, the purpose of this bill is to extend the operation of the stay of execution of the writs of possession related to the residential premises on the Toronto Islands

from July 1, 1980, to December 31, 1981. A bill has been drafted to follow the essence of the Swadron report, a report that the honourable members know was prepared on the residential community at Toronto Islands. By staying the execution of the writs until December 31, it will allow us the summer period to discuss the bill with all interested parties.

3:10 p.m.

ORDERS OF THE DAY

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

Mr. Sweeney: As we adjourned last evening, I was drawing the minister's attention to the fact this gas tax bill was particularly insidious because it was being levied against and was creating an index on the very commodity in our society which has increased in price over the last number of years, and which is expected to increase over the coming years, at the fastest rate.

Everybody in this House is well aware of the increases in oil prices both inside and outside Canada over the last number of years. We are also aware that, regardless of the deal struck between the Minister of Energy and Natural Resources of Alberta, Mr. Mervin Leitch, and the federal Minister of Energy, Mines and Resources, Mr. Marc Lalonde, we as consumers in Ontario are going to have to pay more.

That is not going to be just this year, next year or in the year after. At least in the foreseeable future there is no reason for us to believe that in each of the subsequent years, however long that may be, the price of oil is not going to go up. The price of gasoline, a byproduct of oil, is going to go up accordingly. By putting an indexed tax on that, we are piggybacking on the very nature of inflation.

I have gone back and taken a look at what some of the former Ministers of Energy said about oil pricing, fuel pricing and taxes. It is interesting that whether we go back to the member for Prince Edward-Lennox (Mr. J. A. Taylor), the member for Brock (Mr. Welch), the former member for Leeds, Mr. Auld, or the member for Ottawa West (Mr. Baetz), the same message comes out time and time again.

For example, in May 1977 the member for Prince Edward-Lennox said, "It is not the time to increase inflationary pressures in Canada, it

is not the time to further decrease job creation and it is not in the interest of Ontario or Canada to reduce the competitive capability of our export industry." He was speaking of the very things we are speaking of. When he was the Minister of Energy he drew clearly to our attention that there were inherent dangers in increasing the price of oil and consequently the price of gas because of the impact it would have on our economy.

When the member for Ottawa West was the Minister of Energy, speaking in the Legislature in June 1978 he said: "I should like to advise the members that during the past few weeks I have had discussions with the Minister of Energy for Alberta and with the federal Minister of Energy, Mines and Resources about the proposed price increases . . . These discussions have been followed up by my officials. At these meetings we have made strong representation against [these] while the Canadian economy is soft and unemployment is high, and when inflation is still not under control." The then Minister of Energy indicated we should not exacerbate inflationary pressures.

What about the former member for Leeds? When he was the Minister of Energy he said, "Ontario views crude oil and natural gas price increases, unrelated to improving Canada's security of supply, as inflationary, a deterrent to job creation and a further factor in harming Canada's industrial competitiveness." Of course it goes on and on, but Mr. Auld made the point that increases in fuel prices are inflationary.

We have had the member for Prince Edward-Lennox as Minister of Energy; we have had the member for Ottawa West as Minister of Energy; we have had Mr. Auld as Minister of Energy. But what about the member for Brock as Minister of Energy? In November 1979, what did the member for Brock say about fuel increases? He said, "I should like to think, in the context of ensuring adequate oil supplies, that the industry views itself as implicitly holding in trust the revenues it receives from consumers, and I would like to think that the pricing of oil and natural gas will not be used simply as a disguised taxation vehicle." Oh yes, he said, "should not be used as a disguised taxation vehicle, a means of cascading additional dollars into the coffers of government."

I wonder if the Minister of Energy had a little talk with the Treasurer (Mr. F. S. Miller), saying: "Hey, Mr. Treasurer, we are not supposed to do that kind of thing. I told the Canadian Energy Conference in Banff, Alber-

ta" —of all places—"that Ontario does not agree with that. We are not supposed to do that kind of thing."

So we have had the member for Prince Edward-Lennox as the Minister of Energy, we have had the member for Ottawa West as the Minister of Energy, we have had Mr. Auld as the Minister of Energy, and we even have Mr. Welch as the Minister of Energy, saying that we should not do it, that it is inflationary and that there is no valid reason why governments, either federal or provincial, should do it.

Of course I am reasonably sure that the present Minister of Energy in particular, when he made that comment, was thinking of the provincial government of Alberta and was thinking of the federal government of Canada taking these kinds of actions. Never in his wildest dreams did the Minister of Energy for Ontario ever think the Ontario Treasury would do these kinds of things, would apply those kinds of inflationary pressures on the people of Ontario. These are the kinds of things that every single Minister of Energy for the last five or six years has said we should not do. I would draw that to the attention of the Minister of Revenue (Mr. Ashe).

I guess it would not be unreasonable for people outside of this Legislature to say: "Why don't you get your act together? How can one minister say one thing and another one say something quite different?"

What about the Premier of Ontario (Mr. Davis)? Has the Premier been consistent in this matter? Let's take a look at a couple of things that the Premier of Ontario has said because of the message of the 1981 provincial election. The Premier had a little jingle going all over Ontario for some 44 days. What was that message? Keep the promise. Keep the promise, people of Ontario. Keep the promise. Help the Tory government of Ontario to keep the promise. Let's see what the good Premier of Ontario has been saying. Let's find out what the promise is that we are supposed to be keeping.

On September 15, 1979, speaking to the Ontario PC Campus Association, to the young Tories I guess that would be, wouldn't it?

Interjection.

Mr. Sweeney: No, this is the Premier. The Minister of Energy is off the hook for a minute.

Mr. T. P. Reid: A young Tory is anybody who is over 50.

Mr. Sweeney: Oh, is that what it is? Over or under?

Mr. T. P. Reid: Over 50 and under 65.

Mr. Sweeney: I see. Between 50 and 65.

Anyway, what did the Premier of Ontario say? He said at that time, "But we also took the view that to have a price increase which generated the kind of cash for the government of Canada, the foreign oil companies and the government of Alberta, which they could not possibly reinvest quickly enough to solve energy security problems, would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province."

3:20 p.m.

When he speaks to the young Tories, the Premier says: "Fellows, we are not supposed to do that. We are not supposed to dig into the pockets of Ontario citizens. We are not supposed to reduce their spending power. That is not kosher. That is not the right thing for us to do." That is the promise the people of Ontario were led to believe—especially young people, especially young Tories.

Hon. Mr. Ashe: Everything is relevant.

Mr. Sweeney: Oh, I see. I hope the young people up in the gallery heard the minister say everything is relevant. What that means, I say to the young people, is that what they said yesterday is not necessarily true today—

Hon. Mr. Ashe: I said "relevant." Get out your dictionary.

Mr. Sweeney: Whatever was good yesterday does not necessarily have to be true today. In other words, yesterday's promise is not necessarily yesterday's promise. Yesterday's promise is what was good enough for yesterday.

That was what the Premier said in September 1979. Let us take something more recent, Mr. Speaker. What did he say to the Ontario Municipal Electric Association on March 4, 1980? He said, "We will continue to resist windfall profits for provincial Treasuries and petroleum companies." Yet we know the \$50 million or more the Treasury of Ontario will get because of the sudden increase in price due to production cutbacks in Alberta can be labelled as nothing other than windfall profits. There is no other name for it. But the Premier says we should resist those. Obviously what he means is that the government of Alberta and the government of Canada should resist them, but when it comes to the government of Ontario, that is a different matter altogether.

What did the Premier of Ontario say back in October 1979? The Premier was speaking in this Legislature at that time. Here is what he said: "I have opposed and will continue to oppose any change in the existing price agreement that

would generate windfall profits”—the Premier seems rather fond of that term “windfall profits”—“rather than oil security, and economic recession rather than shared national growth.” So he was against windfall profits in October 1979 and in March 1980.

How about something more recent than that? Here we are in October 1980. At that time the Premier of Ontario was very upset because Alberta had announced its first cutback, which was going to mean higher prices. That was an action taken by a provincial government. Here is what the Premier said at that time: “This burden”—this burden of increased costs on the taxpayers of Ontario, on the fuel taxpayers of Ontario—“is not being imposed on Canadians by any foreign power or by any international collapse, but by a Canadian provincial government.”

The Premier of Ontario was rather upset that a Canadian provincial government would be putting its hands into the pockets of the taxpayers of Ontario. Yet what did the taxpayers of Ontario discover on May 19, 1981, only six months after the Premier made that statement? They discovered that he, his Treasurer, his Minister of Revenue and his whole government were going to put their hands into the pockets of the taxpayers of Ontario with an ad valorem tax, not only a tax that would be set for at least one year, but a tax that would go up and up and up, as the price of oil would naturally go up.

At that time, in response to a question, the Premier also said: “The economy needs some stimulation. It does not need this additional burden imposed on it.” We agree with what the Premier says. This economy needs some stimulation. We do not need these additional burdens. We do not need this type of ad valorem, percentage indexing, additional burden. The taxpayers do not need someone digging into their pockets time after time, robbing them of the possibility of stimulating the economy of the province.

That is what Ontario’s Ministers of Energy have said. That is what the Premier has said. But it is one thing to say it yesterday and it is something quite different to do it today.

What about the impact on those communities such as my own in the Kitchener-Wilmot area? In this matter I speak for the people who sent me here, unlike some of the people in the back rows of the government benches. First of all my constituents sent me here to object when a taxing measure by this government is going to increase the taxing necessity of the municipal

governments in Kitchener and in Wilmot by almost \$100,000. The treasurer for the city of Kitchener has estimated the higher provincial taxes for gas and diesel fuel will add another \$70,000 to the cost of operating the municipality. The municipality of Wilmot has estimated its additional costs will be in the neighbourhood of about \$20,000. Putting the two of them together it totals \$90,000 plus.

Those are moneys the province is transferring from the local municipality into the provincial Treasury. The government is saying to those municipalities that it is supposed to be assisting financially: “We are going to take the money out of your pocket, and fellows and gals, if you want it back again, then you soak your own taxpayers again. You go to the property tax levy and you take more money out of them. Kitchener, you take \$70,000 more out of the property taxpayers of your city. Wilmot township, you take another \$20,000 out of the property taxpayers of your municipality.”

We are telling those people they are going to be hit twice by the same provincial government. When they drive their cars and trucks out on the road, they are going to have to pay the additional tax to the Treasury of Ontario. When they arrive home in their residences and in their businesses, they are going to have to pay an additional tax to the local municipality so it in turn can put more money into the provincial Treasury.

If the Minister of Revenue believes anybody, on this side of the House at least, is going to stand by and allow that to happen and not oppose it, he does not understand what we believe to be our responsibilities towards our constituents.

We have been talking about how we are affecting the farmer and how we are affecting the communities. I know the farmer will get a rebate for any tax he pays on his own property, but what about the farmer’s produce that has to go from the farm gate to the processor and to the retail supermarket? What about the cost and the taxes involved in carrying that produce? What about the extra cost to the farmer himself in getting his produce to market? What about the extra cost to the consumer, to the housewife who has to go into the retail market and buy those products?

I and everybody on this side of the House know for sure, whether the people over there realize it or not, that is an extra cost on the food prices. Who is going to get blamed for that? We both know who is going to get blamed. The

farmer who produces it has nothing to do with that extra cost, but he is the guy who is going to get blamed for it.

What about small businesses? We see these people on the government side stand up day after day and proclaim the philosophy of the small businessman, how they have to help the small businessman, how the small businessman is being hit by inflation, how the small businessman is being hit by high interest rates. They say they are the backbone of the Ontario economy, they are the backbone of the middle class of Ontario, they are the people who pay the taxes.

What do we do? We hit them twice again. We make it more expensive for them to do business. We make it more expensive for them to transport their retail products and their manufactured products to their retail outlets, to their wholesale outlets, from their industries or whatever the case may be.

3:30 p.m.

Hon. Mr. Ashe: The member should keep that in mind when the pay bill is before this House.

Mr. Sweeney: Fine. The members opposite are the guys who are introducing this tax.

Hon. Mr. Ashe: I mean, what a ridiculous analogy.

Mr. Sweeney: What does the minister mean, "What a ridiculous analogy"? This is something that he has to cope with every single time he steps out to do business. Every time the small manufacturer wants to import or bring into his plant some raw materials he is going to have to pay more for them because of this tax.

Every time he is going to send a finished product out to a warehouse or to a retail outlet he is going to have to spend more. That is going to add to his costs; it is going to add to the cost of the service he provides; it is going to add to the cost of the finished product. Once again the businessman, the small manufacturer, is going to be blamed for it, but the members opposite are the guys who are imposing that additional tax.

My riding is one that stretches about 25 miles across. There are a lot of small communities in my riding where there is no public transit, communities where people have to drive their cars and their trucks to work. Most of them work in the larger cities—either in Kitchener, in Cambridge or in Waterloo. Not very many of them work in New Dundee; not very many of them work in New Hamburg; not very many of

them work in Baden, or Petersburg, or St. Agatha, or Phillipsburg or all of those wonderful communities. But in every single case they have to drive to work. Often it is two members of the family on shift work who have to drive to work, and once again they are going to be hit by this.

There are some cases, I agree, where there are going to be commuters in my riding, particularly in the city of Kitchener. But they are going to have to pay more too, because the transportation system in that city is going to have to recoup those losses somehow. Granted the city picks up a deficit of about \$1 million a year, but it cannot pick up all of those increased costs. They are going to have to recoup them somehow, so the price of tickets is going to go up.

So commuters going to their jobs are going to pay more, whether they drive their own cars or their own trucks or whether they go by public transit.

We hear the Minister of Industry and Tourism (Mr. Grossman) telling us over and over again that tourism is the second largest money earner in this province after automotive production. I think that is the point he has made a number of times. It is one of the foundations of the economy of the province. He is spending millions of dollars in advertising in Ontario, across Canada, in the United States and probably over in Europe too, I do not know. He is even going to put this flashy logo that we hear so much about, "Ontario, yours to discover," on our licence plates now.

What is he telling the people? "You know, folks, come on into Ontario. We have got it all." We do have a beautiful province, an absolutely beautiful province. We have lakes, and rivers, and forests and campgrounds. Nobody is denying that; the minister has a good selling point. And what happens? Instead of supporting the Minister of Industry and Tourism, the Minister of Revenue, the Premier and the Treasurer say: "Oh no, fella, we are going to cut you down. We are going to make it more difficult for tourists in the province of Ontario. We are going to make it more difficult for them to travel in Ontario. We are going to make them think twice before they travel in Ontario."

It is just the little bit that breaks the back. It may only be a cent here, a cent there and a cent someplace else, but the Minister of Revenue knows that you reach a breaking point sooner or later. You reach a point where all numbers of people say: "That is enough. I am not going to travel this summer. I am not going to go up into the tourist area of the Treasurer of the province.

I am not going to go up into the beautiful country of northern Ontario. I am not going to travel into some of the areas of eastern Ontario. I am just going to stay home here and keep my money, probably stash it in the bank or something else, but I am not going to spend it on tourism in the province of Ontario." Those people in the tourism industry are going to suffer; they are going to pay the price.

While we are talking about the Minister of Industry and Tourism, I could not help noting the coincidental column of Hugh Winsor in the *Globe and Mail* today. I am sure the minister saw the column because it discusses how the Minister of Industry and Tourism is trying to get back some credibility for this province in the whole question of oil and gasoline pricing in this country.

After all the things the Treasurer, the various Ministers of Energy and the Premier have said about bad old Alberta, it seems they may now want to smoke the peace pipe. Was it not three or four weeks ago a delegation from Alberta came to Ontario? They wanted to meet a number of people. Who went out to one of the airport hotels and sat down with them? Who said to them no doubt very quietly, but pretty clearly, "Look, fellows, maybe we can make a deal? Maybe we can get this thing settled. Maybe we can stop tearing this country apart. Maybe Ontario is ready to deal." That was the message the representatives from Alberta carried away with them from the meeting with the Minister of Industry and Tourism.

Another meeting was set up, according to Mr. Winsor. It is documented pretty clearly that our Minister of Industry and Tourism went out to Alberta.

Hon. Mr. Ashe: Edmonton.

Mr. Sweeney: Alberta, Edmonton, wherever. He went out there. It was predicted one of his reasons for going was to make a public statement saying, "Ontario is going to practise a little bit of statesmanship. We are ready to make a deal. We know that some of these changes are inevitable. We know that Ontario is going to have to accommodate them in some way."

What happened? The minister delivered what is said in the column to be "an 18-page text larded with references to the Canadian Domestic Market Development Agency . . . But nothing about the all-important prerequisite on the other side of the equation. Not the slightest hint that Mr. Grossman was Coach Davis's halfback sent into the game with a new play. Larry didn't even get a chance to fumble the ball.

"The simplest explanation is that Treasurer Frank Miller had already fumbled the ball for him with his increased gasoline tax. After the ad valorem grab, it was not politically tolerable for another minister to be seen advocating another price increase."

As Mr. Winsor goes on to point out in a very appropriate finale, we won the down, but probably lost the game. That is the price we are paying.

Hon. Mr. Ashe: You could always support the Liberal position of world prices.

Mr. Sweeney: I do not know. I do not know what kind of deal the Minister of Industry and Tourism was carrying from the Premier, but speculation is rife around here. The speculation was rife when he had that meeting and when he went out to Alberta. Maybe the speculation was all wrong, but I do not think so. I do not think that is reasonable. I think the process of making a statesmanlike deal was there but, because of the quick grab for a few extra dollars for the Treasury of Ontario, the deal could not be made.

I do not know whether the Minister of Revenue is aware of it, but this picture says, "Something from Everybody." Underneath is the little caption, "What's So Funny?" showing the Premier of Ontario laughing uproariously while the Treasurer of Ontario is socking it to the taxpayers of Ontario. I have had more comments from taxpayers in my area about this photo—maybe the minister himself has had some. The basis of the comments is, "You know it's bad enough to get it socked to us, but then they laugh at us at the same time."

I do not know whether the Premier or the Treasurer is aware of the impact of this budget and of the way that cavalier attitude is being perceived by the voters of Ontario. That is the only way one can describe it—a cavalier attitude. That is the point. This is a little caution to let the minister know that the people of Ontario are not happy with this situation. All this time the Treasurer, the Premier and the Minister of Energy have made their pious statements about the terrible people in the federal government and the terrible people in the Alberta government; yet we are turning around and doing exactly the same thing in Ontario.

Needless to say, whatever cards they had to play in relation to the discussion I had a couple of minutes ago with respect to the Minister of Industry and Tourism have been lost. Ontario has no more credibility in the national circles of

Canada. It has lost it. Quite frankly, to use an expression the minister knows, it was sold in relative terms for a mess of pottage.

3:40 p.m.

The thing that really annoys some of us over here is that the Treasurer of Ontario has said time and time again how strongly he objects to the federal government collecting taxes so that it can use them to reduce its deficit. He has said that a number of times. He said a government should not be collecting these kinds of taxes. Yet a few days ago, as the minister will remember, in response to a question by my leader about a windfall profit tax, the Treasurer got up—it was one of the few times he was not even smiling, and I am not sure whether that means he is serious or not, now that I think of it—and baldly said “What do you mean, a windfall tax? Do you not realize Ontario has a deficit in excess of \$900 million and whatever extra taxes we are able to collect from this, whether we anticipated them or not, will go towards reducing that deficit?”

In view of the lack of credibility, the utter hypocrisy of the same people on that side of the House in those seats saying one thing yesterday and something totally contradictory today, no wonder people out there are having so much trouble. Suppose a parallel announcement had been made when this tax was levied, saying, for example: “We are coming right up front. We are going to collect an extra tax, but we are going to use it for an energy-related purpose. We are saying in advance that we are prepared to put that money aside and use it to build methanol plants. We are going to use it to develop hydrogen as an energy source. We are going to use it to develop propane as an energy source. We are going to use it to develop compressed natural gas as an energy source.”

If that kind of thing had been said, quite frankly, I think the people of Ontario and many members on this side of the House would have been prepared to accept it. People could have been sold that, if they were clearly told that was why it was being collected. In other words, the province, the Treasurer, the Premier, the Minister of Energy and the Minister of Revenue were so concerned about the energy problem in Ontario that they were going to levy a specific tax for the purpose of improving the energy problem in Ontario. Then I am sure people would have accepted that.

There have been all kinds of indications. Our party, among others, has clearly indicated some of the procedures. We have indicated the cost of

it. We have indicated we would be prepared to levy a specific tax to raise the money to pay for that particular project. I noticed—I think it was in the *Sunday Star*—a description of four Ford cars going down Highway 401. The story went on to reveal these were not just four ordinary Fords. One was running on propane, one was running on methanol and one was running on compressed natural gas. I forget what the fourth one was running on. I guess it was one of the other alcohol fuels.

The article was telling people the future is here now. This is not speculation. This is not some fuel alternative that is going to be present or available in Ontario five or 10 years from now. It went on to say the Ford Motor Company in Oakville this coming fall is going to turn off its assembly line cars that would be technically equipped to burn propane as a fuel. They are saying Ontario has to get in line.

We are objecting strongly because this tax is inflationary. As so many of my colleagues have said during this debate, it piggybacks on top of a price that is going to rise automatically anyway. We have said if the tax were collected for a specific energy purpose we might be able to support it, but not the inflationary process involved in the way the government is doing it.

I could not help but notice in either today's or yesterday's *Globe and Mail* a comment by Malcolm Rowan, who is the Deputy Minister of Energy.

Mr. Nixon: Is he ever.

Mr. Sweeney: Some people think maybe he is even the Minister of Energy. He had indicated publicly that Ontario had requested drilling rights for oil and natural gas in the Hudson's Bay lowlands—an interesting comment. Maybe this tax could replace that because Ontario has already announced it has drilling rights. Those drilling rights are at the gas pumps of the retail outlets of the province. Where they are drilling is in the pockets of the people who drive up to those pumps, and they are drilling right through. The hole is not going into the ground; it is going into the pockets of the people of Ontario who drive up to those pumps.

They are going to have holes in their pockets because this government is taking the couple of pennies they still had left after paying Alberta, after paying Ottawa and after paying all the government's other taxes. So the government is going to be drilling and it did not have to go to Ottawa to seek permission. It decided right here and now.

We and the people of Ontario know what the

realities of March 19 are. The people also know now what the government means when it says, "Let's keep the promise." It does not mean yesterday's promise. It does not even necessarily mean today's promise. It probably means tomorrow's promise. We do not know what that is going to be, but the government will keep it. No matter what it costs, the government is keeping the promise.

We oppose this bill.

Mr. Foulds: Mr. Speaker, it is interesting and a pleasure and an honour to rise in debate on this piece of legislation because traditionally tax bills have been the bills that have changed governments. Tax bills have been bills that have inspired, at least symbolically, revolutions to the south of us. Tax bills are the bills in a parliamentary democracy over which the government has sole jurisdiction to introduce, while the opposition is restricted to opposing. In terms of the money, they cannot be amended.

We in this party oppose this tax for a number of reasons, the basic one being that the tax itself is inflationary. The tax adds to the cost of living and is a particularly unjust tax where there are no alternatives for the purchasers of gasoline. The previous speaker talked about communities in his riding which were 25 miles wide. My riding, which is probably one of the smallest in northern Ontario, is four times that wide. Most of us in northern Ontario must travel many hundreds of miles to get from one place to another within northern Ontario.

3:50 p.m.

I want to deal very briefly with the ad valorem tax aspect of the bill. I know the minister and his colleagues will say in defence that many other provinces, including Saskatchewan, use this method of taxation. But Saskatchewan, which uses this form of taxation, is an enlightened province and counterbalances that, for example, by wiping out OHIP premiums. There is a countervailing force on behalf of the consumer in that overall budgetary strategy in Saskatchewan. There is no such countervailing force in this budget.

Hon. Mr. Ashe: Stick to the principle of the bill.

Mr. Foulds: I did not intend to speak on the budget. I intended to stick strictly to this bill, as have all the previous speakers in this debate. However, the intervention by the Minister of Revenue forces me to talk about the injustices in the budget itself.

The Deputy Speaker: A little bit.

Mr. Foulds: This is just by way of illustration about how this tax is one of the worst examples of what the government did in the budget generally, Mr. Speaker.

The principle of the ad valorem tax is relatively simple. As the price goes up, the tax goes up in a percentage-like increase. What is also quite unjustified in this method of taxation is that it lives off the avails of taxes. Not only does it live off the avails of inflation and fuel inflation, but because it is calculated on the retail sales price, it is calculated on other taxes. This tax, in effect, taxes other taxes, and one cannot get cleverer than that when one wants to get revenue into the coffers.

I suppose if it is looked at cynically this government brought in a crass grab for additional revenue which it will have in perpetuity. It did so in the first year of its government. It hopes that by the fourth year of this government, when the election comes along, people will have become used to this unfair method of taxation for which there is no countervailing benefit for the consumer.

I particularly want to talk about the experience of northerners. On the first night this tax was announced—budget night, May 19—we assumed the tax would be based on the actual price, just as the budget said it would be. When we checked with the minister's officials, we found it was not being based on the actual retail price charged at the pumps, but on what is called a benchmark price established in a triangle area bounded by Oshawa-Kitchener-Niagara.

Hon. Mr. Ashe: Niagara Falls and Barrie.

Mr. Foulds: And Barrie, all right. So there is a four-sided trapezoid including Barrie.

An interesting thing is admitted by the government when it bases its taxes on the average or benchmark price in that area. What it is saying is that the price above that benchmark price, which is the usual price charged in one-industry towns in northern Ontario, is just too high and is an unfair base. Nevertheless, I want to point out to members that this tax will hit people in northern Ontario more than the people in that benchmark area and more than the people in the riding of my friend the member for Kitchener-Wilmot (Mr. Sweeney). The reason that it will do that is that we in northern Ontario do not have the compensating alternatives that people here in southern Ontario have. We have no objection to the \$80-million subsidy for TTC.

Hon. Mr. Ashe: I have never heard you complain about the \$10-licence plates.

Mr. Foulds: Just a minute. I am getting to that. Just hold your quips until the end.

An hon. member: It has been a frustrating week.

Mr. Foulds: I know it has been a frustrating week for the Minister of Revenue. Here he was given the ball to carry these bills through the Legislature. It was passed neatly into his stomach by the Treasurer who decided that these were the sources of revenue. While the minister hasn't exactly fumbled the ball, he is still groaning with the thrust with which it hit him as he caught it. As the halfback who has to carry the ball down the broken field, so far he has not done very much broken field running.

The fact of the matter is there is very little public transit in northern Ontario. The main cities like Sault Ste. Marie and Thunder Bay have public transit and get some modest subsidy, and we have no quarrel about that. But if people have to travel from Thunder Bay to Terrace Bay or from Dryden to Kenora, or if they have to travel in their job as a bush worker living in Thunder Bay to Camp 235 up 60 miles on Spruce River Road, they have no alternative but to go by automobile. While it may also be true in some areas of southern Ontario, it is not true to the same extent as it is in northern Ontario. It is not true when 58 per cent of the land mass is in the five northwestern Ontario ridings. Just think of those distances.

Mr. Eaton: How much of that 58 per cent do you travel across now?

Mr. Foulds: Now we get to the point of transportation. I will make it because the parliamentary assistant from Middlesex urges me to make it at this time. Not only do we not have public transit in most parts of northwestern Ontario, except within the confines of the large cities, nor do we have rail or bus service of any kind in many parts of northwestern Ontario, but in some cases, where we are lucky enough to have roads, the only means of transportation is by automobile. The member for Middlesex says to me we should be grateful we don't have more roads to connect more municipalities.

Mr. Eaton: I didn't say that.

Mr. Foulds: That is what he is implying, Mr. Speaker. My understanding is that for those communities we have to fly to reach there is going to be a tax on aviation fuel, so the price for that will go up. In other words, this tax is inflationary, not only on the consumer who

drives his own car, but inflationary in the sense that transportation costs will go up for the people who use public transit.

Transportation costs will go up in those areas where we do not have public transit and people have to rely on private companies such as Greyhound. Where they are not lucky enough to have that kind of service or a regularly scheduled air service through norOntair, they will have to pay additional prices to private air carriers when they have to fly because those air carriers will presumably have to increase their prices to meet the costs of the aviation fuels they use.

In other words, the tax is really a very discriminatory tax. The point I want to make is that the amount of travel that an individual must do in a private auto in northern Ontario is greater and the amount of availability of public transit is very minimal.

I have a simple suggestion which I make to the Treasurer, who is doing me the honour of sitting in and listening to this debate, and to the Minister of Revenue. I suggest they should establish the same benchmark price as the basis for this tax—a benchmark price based on the area from Niagara Falls to Oshawa to Barrie to Kitchener—and that should be the benchmark price, the price established for gasoline across the province.

4 p.m.

Mr. Wildman: Is that not what the member for Algoma-Manitoulin (Mr. Lane) wanted?

Mr. Foulds: That is right. That was the suggestion, to equalize gasoline prices across the province, made by the man who is now a parliamentary assistant, the member for Algoma-Manitoulin. I believe we should do that. We can do it for the purposes of this tax because we have the power at the retail level.

Interjections.

The Deputy Speaker: Let us get back to the tax act. Colleagues, please, Mr. Foulds has the floor.

Mr. Foulds: I am thankful for the interjections. They have given me time to have a sip of water, to regroup my papers and to get on with the debate.

If the government can equalize the prices of liquor and beer across the province and if it can establish an equal price considered to be a fair price to base this tax on, then I suggest, as strongly as I can, it is only fair to equalize the price of gasoline across the province. If the government did that, it would be taking one

small step to compensate for this particularly blatant tax grab. It has not even taken that step. I would strongly suggest it does.

Does anybody in the world really believe any more there is such a thing as a market price for gasoline? Is there anybody in the world who would honestly say from the bottom of his or her heart and brain there is such a thing as a market price for gasoline? Of course not. There is an Organization of Petroleum Exporting Countries (OPEC) cartel price. There is a federal government-manipulated price, an add-on price for all kinds of things.

There is the federal government combines investigation report that indicated the taxpayers of Ontario had been milked of \$4.3 billion by the oil companies. There is the withholding of the production of oil by Alberta. We all know that is artificially pushing up the price of oil. It has nothing to do with the cost of production and nothing to do with the ability or the need to pay. It is a manipulated, controlled market.

This government, which has for so many years railed against that manipulated price, that unjust price on the consumers of Ontario, has decided to get on the gravy train and make use of that price. I suggest that is an injustice to the people of Ontario and a particular injustice to the people of northern Ontario.

What is interesting in the budgetary notes and in the analyses of all the figures I have seen is that the computation of additional tax revenues is based on very small conservative estimates. Not only is the windfall of \$30 million to \$50 million, which has come about because of the recent federal increase, happening to this government, but there will be additional windfall profits. The government has underestimated the amount of revenue it will be getting because the sales of unleaded gas now exceed by far the sales of leaded gas as a result of the mix of cars now on the road. I think the government calculations are deliberately and necessarily conservative.

It is also interesting that in the explanatory note that fact is almost recognized. The note says: "Until the new procedure is implemented the bill provides for specific increases in the tax payable on gasoline. The tax on regular leaded gasoline is increased from 4.6 cents to 5.4 cents per litre. The tax on regular unleaded gasoline is increased from 4.6 cents"—the same base price—"to 5.8 cents."

In other words, there is a difference of 0.8 cents on regular gasoline, though we recognize the principle that unleaded gas starts higher.

That is going to be built in and in as the escalation continues. I suspect that, instead of the \$135 million that is projected for the coming year, the government will see far greater increases than it predicts.

I want to tell the members of a personal experience I had. Not last weekend but the weekend before I had the pleasure of driving to the great prairie city of Winnipeg with my eight-and-six-year-old sons, both of whom were participating in the Manitoba open swim championships. My eight-year-old son did particularly well. He came first in all three of the events and was the high point winner for the eight and unders in that event. That was the pleasurable part of the trip.

Mr. Deputy Speaker: You worked that in well.

Mr. Foulds: I am sure the members will allow me to get his name, Andrew Foulds, on the record of these proceedings during this important debate.

We drove across northwestern Ontario, some 400 miles from Thunder Bay to Winnipeg, in—I admit—a six-cylinder Ford Fairlane, which is not a particularly luxurious or gas-guzzling car compared with what parliamentary assistants, Deputy Speakers and cabinet ministers have at their disposal—

The Deputy Speaker: I have yet to see one myself.

Mr. Foulds: What you have to do, Mr. Speaker, is dial on the phone, I think.

In any event, it is not a particularly heavy gas-using car; it does happen to use unleaded gas. What was interesting was the variation of prices from city to communities such as Ignace and Dryden, where the price was something like 41.6 cents per litre before the federal tax increase. One can see how those people living in Dryden, for example, who must travel up to Sioux Lookout or Ear Falls on business will suffer very heavily because of this tax.

This tax adds to the insult of the attack on the consumer: the attack by the federal government, the attack by the producing provinces, the attack by the Organization of Petroleum Exporting Countries cartel. That is the thing we gripe about the most.

Since I come from northwestern Ontario, I am a westerner emotionally and psychologically. All my experience before I was elected to this place was in northern Ontario and western Canada. When I was an 11-year-old boy and the Port Arthur Bruins won the Memorial Cup, we

played off with western Canada.

Hon. F. S. Miller: When was that? In 1910?

Mr. Foulds: In 1948.

Mr. Eaton: Don't tell me you were on that team.

Mr. Foulds: No, I was not. I was only 11. If the member for Middlesex incites me to tell him a few sporting stories when I was in minor league hockey, I can—

The Deputy Speaker: No, he was not.

Mr. Eaton: With the shape the member is in, he could not have been an athlete.

Mr. Foulds: Oh yes.

Mr. J. A. Reed: Those hockey players had to drive to games.

Mr. Foulds: No, I was a goaltender and I used to walk carrying my own pads. Anyway, that is another story for another day in a different debate.

Mr. Eaton: How come the member never comes over to the Gardens when we play?

Mr. Foulds: If the member really wants to know—Mr. Speaker, am I allowed to answer that diverting question in the tightness that you have ruled in the debate on this matter?

The Deputy Speaker: "Free wheeling" is the term.

Mr. Foulds: This freewheeling debate. Actually, my reflexes are not what they used to be. As a goaltender, I made the mistake in one game of stopping a penalty shot with my eye. I have subsequently worn glasses. I do not think that is a particularly good thing for a goaltender to do, even in a scrub game with the honourable members opposite and with the members of the press gallery, who might be particularly vicious. Anyway, I still skate once in a while.

4:10 p.m.

Where was I? I have been diverted at this point. I think the member for Middlesex has done his job.

There are three major points I want to make, if I may sum up. How long have I spoken, Mr. Speaker?

Mr. Speaker: Half an hour.

Mr. Foulds: Half an hour? Actually, I meant to speak only about 35 minutes; so perhaps I could just wrap up.

This tax is unfair for three major reasons. The tax is on top of taxes already. For example, people who live in northern Ontario, who have no other mode of transportation and must use extra fuel because of the long distances involved,

are doubly hit because of the base amount of gas they must pay taxes on.

Although there is an equalization of the rate of taxation involved in this bill for northerners, there is no equalization of gasoline prices; and that is not compensated for in any way by the low \$10 licence fee that northerners pay. A person like myself living in a largely urban area drives between 12,000 and 15,000 miles in a year; and that is not counting any long trips—maybe one in a year, down here, at the most.

Mr. Eaton: I drive more than that in my area.

Mr. Foulds: Of course my friend does. I do not drive that much. That is the point I am making. The extra taxes I pay on the amount of gas that I consume more than account for the differential between the \$10 northern Ontario licence fee and the regular licence fee in southern Ontario; so that is not any compensation.

In other words, this is a crass political tax. It increases transportation costs. It increases food costs, particularly to those of us in the north where transportation is built in as a cost of consumer goods. And it does absolutely nothing in getting additional revenue for the province to provide for compensating programs to the electorate. All it does is help the Treasurer keep his budgetary deficit to two thirds of what it otherwise might be.

In other words, as we have seen all too freely, the promise of March 19 has turned into the arrogance of May 19 and subsequently. We had an arrogant budget that thumbed its nose at the consumers and the people of the province and said quite crassly: "Last year, I gave you a Christmastime, pre-election budget. This year, I am giving you a sock-it-to-'em budget—a budget that deliberately taxes you where it hurts."

I am paraphrasing the Treasurer in saying, "The jingles of March 19 will be used again over the next four years, using your money for government advertising and to persuade you that things are fine in Ontario and that we should preserve it, conserve it," and all that nonsense. He is saying: "We will be using your money"—raising taxes like this—"to persuade you that these taxes are not such a bad thing. Then four years from now, in the year just before the election, we will give you another Christmastime budget."

That is the message of the budget. That is the message of this tax. It is a crass political tax. It is one in which the government has dipped its hand into the pockets of the taxpayers shamelessly. I for one oppose it and will oppose it as

strongly as I can.

Mr. J. A. Reed: Mr. Speaker, I have to say at the outset that I rise in this debate with the greatest possible disappointment I can register in this House. I am deeply disappointed in the hypocrisy demonstrated by the government over the five years I have had the privilege of being the Energy critic for the official opposition.

Four Ministers of Energy ago, when the member for Don Mills (Mr. Timbrell) was minister, our party brought out a paper just prior to my taking on this portfolio; it called for a staged increase in the price of motor fuel. We recognized that the price was going to escalate much more quickly in years to come and that escalation would impose a severe economic hardship on industry, commerce and the people of Ontario.

Hon. Mr. Ashe: Is that when you were supporting the world price, or before?

Mr. J. A. Reed: Let me get to it. The paper we brought out in 1976 called for a staged move towards the world price. As a matter of fact, it said plainly, and perhaps the minister should read the copy again, not to the world price.

We understood the price was going to increase but, if it was staged as evenly as possible over the time frame that those increases were expected to occur, we could end up triggering conservation and triggering the move into alternative energy forms at a point much earlier than we now have.

The minister's response, I suppose, had to be predictable on the day, because it came shortly after there was a price increase. It will be recalled that Ontario recognized the politics of that price increase and that the then Minister of Energy, the member for Don Mills, put a freeze on price increases and declared Ontario would fight price increases in motor fuel. That position became the policy of the government of Ontario, and it continued with that policy up to about a year ago.

The present Minister of Revenue (Mr. Ashe) has said, "You are the people who wanted world prices." That was what the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) repeated time and time again in the House. I believe the Minister of Revenue repeated it time and time again as well. It was inaccurate but it was designed to serve a crass political end that this government had set out to curry, and it made a lot of hay in the short term by doing so.

The result has been another story, because in the past 18 months the price of gasoline in

Ontario has risen by about 60 cents a gallon.

Now that the triggering of conservation, the triggering of a move into renewable energy is coming on—

Hon. Mr. Ashe: It is your federal counterparts.

Mr. Ruston: You people should have supported Joe Clark.

4:20 p.m.

Mr. J. A. Reed: Mr. Speaker, it is difficult when these exchanges take place. I realize how tempting and difficult it is for the members on this side to remain quiet when one is addressing what is one of the worst hypocrisies that has ever been perpetrated on the people of this province.

Let me go back. Here is a statement of April 1, 1977, given by the member for Prince Edward-Lennox (Mr. J. A. Taylor). He was another Minister of Energy who got bounced at some point or other. In a speech given to an energy ministers' conference in Ottawa he said, "First, we are opposed to any increase in the price of oil and natural gas." Well, let us see what other goodies—

Mr. Eaton: Do you want to look at some of the things you have said that you changed positions on?

Mr. J. A. Reed: I wish the member would go back and read the Hansards again. I wish he would read the things I have said. He speaks next and will get in on it; he should research exactly what this party has stood for over the last five years. My friend will find that we have stood in the vanguard of every move into new energy. We have urged the government to get on with issues that five years ago were considered to be pie in the sky. As a matter of fact, I will show him an interesting thing.

I remember a debate we had in 1978. We had done an interesting study on fuel alcohols and said they were feasible for the people of Ontario. This government did a study the same year and said it was not feasible. The federal government had done a study the same year and said it was feasible; all these technical arguments were put forward and all the rest of it.

Here is an interesting article from the Canadian Renewable Energy News of June 1981. It tells about a light-alcohol-powered plane that has been flown in the the United States. It is being flown by an ex-astronaut, Gordon Cooper, and a Mr. Bill Payntor. They are finding that fuel alcohol in aircraft is far superior to petroleum, because the efficiency of combus-

tion increases with the altitude attained. It is now being seriously looked at as a replacement for jet fuel.

This is in place. This is operating. Members should know that. I do not know whether any other members were down at the Ford Motor Company display two weeks ago, but we were driving an ethanol-powered car, a methanol-powered car, a propane-powered vehicle, and a vehicle powered by compressed natural gas. The Ford Motor Company said there was no technical obstacle to bringing any of these fuels into general use.

Hon. Mr. Ashe: Technically, that is right. Don't worry about the economics as long as it is technically correct.

Mr. J. A. Reed: The honourable member talks about worrying about the economics. If he would read his own Ministry of Energy publications, he would find that methanol on this day, June 9, 1981, is competitive with gasoline. That is according to his ministry. Whether it is right or wrong, that is according to his ministry.

Let me go on. Here is a dandy. On November 20, 1978, in a statement to the Legislature concerning the federal-provincial energy ministers' conference, the Honourable James Auld said: "Ontario has long recognized the direct relationship between price increases unrelated to the cost of production and these economic consequences." How many more? Maybe I will get one from the Premier.

Hon. Mr. Ashe: They have all been read before when you weren't here to hear them, Julian.

Mr. J. A. Reed: All right. We will get some. Here is one—

Mr. Stokes: Why don't you get one from the former parliamentary assistant?

Mr. J. A. Reed: I probably have one of those here too. Here is the Premier speaking to the Ontario Progressive Conservative Campus Association on September 15.

Hon. Mr. Pope: Your colleague just read that.

Hon. Mr. Ashe: You should read Hansard. That was read by your colleague who spoke previously.

Hon. Mr. Pope: Go ahead; read it again anyway.

Mr. J. A. Reed: It was just read? That is fine. It is not bad to read it again, because it comes from the most hypocritical government that has ever been foisted on the people of this province.

Here is the Premier speaking in 1979: "I believe that if we were to have a massive move to world price, the kind of harm it would do to our economy would not only ensure that we followed the Americans down the road to recession, but that we did considerably worse."

Hon. Mr. Ashe: That is exactly right. Read it again.

The Acting Speaker (Mr. Cousens): Order.

Mr. J. A. Reed: If the Premier is correct, then it is obvious this government is in favour of bringing a recession to the province. It is as simple as that. The members opposite play politics—

Mr. Eaton: You just said a minute ago that your party wanted world price.

Mr. J. A. Reed: No, no. I will say it again. I wish that before the member makes those comments he would go back and read the release of 1976. What we said was that we favoured the staged increasing of petroleum prices towards world price, but not to world price.

Mr. Eaton: I heard what you said a minute ago.

Mr. J. A. Reed: We said that in 1976. It is in the statement. If the member wishes to rise in this debate, he has a chance to counter that in any way he can. I will bring the text into the House afterwards and rise on a point of personal privilege and read it into Hansard in its entirety if that is what he would like me to do. But the member should not try to misconstrue statements to suit his own political end, which is what he was doing.

While the government was in a minority situation, it was great to play on this thing as long as it could read the polls and as long as it could string it out. Now the chickens have come home to roost, but it has been saved because it has a majority.

During the first few months it is socking it to the people at every turn and saving the corporate tax increases until just before the next election so that it can come along and say: "Look, boys, we are playing Little Jack Horner. Here's the plum. What good boys are we. We have not increased the taxes to the people of this province for a year, a year and a half or however many months." It has done it before; it will do it again. It is the same old dodge. The government should be ashamed of itself.

The ad valorem aspect of this tax on fuel is the ultimate hypocrisy, because all through those years the government and its leader yelled at the

Energy critic across the House, at my leader and at all the rest, saying: "You are the people who want world price. You are the people who want all these things."

The government know very well that, had it started on gradually staged price increases when it should have, it would have had our support here on this side. We asked the government to do it. If it had started with that, it would have triggered the options at a much earlier time and in a more rational way, because the rules of the game would have been clearly known.

Now we are faced with this massive escalation. There is almost a sense of panic there as to where it is going to go. The price has risen by 60 cents a gallon in 18 months, and now the government is riding on the back of it with this ad valorem tax.

Hon. Mr. Ashe: And where did that come from? A hypocritical Liberal federal government.

Mr. Ruston: Your Conservative friends in Alberta caused it.

Hon. Mr. Ashe: They publicly opposed 18 cents.

Mr. J. A. Reed: This government takes more from a barrel of oil than does the Alberta government.

Hon. Mr. Ashe: No, we do not. Your arithmetic is as bad as that of the member for Port Arthur (Mr. Foulds).

4:30 p.m.

Mr. Foulds: On a point of personal privilege, Mr. Speaker: My mathematical ability has been called into question. I admit I am not very good at algebra; I only got a B plus in geometry; but I am superb at arithmetic, particularly at the grade five level, which is all the minister is capable of.

Mr. J. A. Reed: Mr. Speaker, we also said that if there were to be tax increases in petroleum, our party favoured the designation of those tax increases for specific drives to energy self-sufficiency.

My party has long believed that Ontario has the potential for energy self-sufficiency right here. Five years ago, we told the government they were a decade behind already at that time in the development of alternative energy forms.

We have continually stood for the development of new energy sources in every conceivable way on the broadest possible base, only to be laughed at initially. I can hearken to the many

sets of estimates I have sat through under many Ministers of Energy and recall being virtually laughed at and told that many of these technologies were not feasible.

Mr. Eaton: You were funny at times, Julian.

Mr. J. A. Reed: Perhaps the member for Middlesex (Mr. Eaton) can recall sitting in with the member for Don Mills (Mr. Timbrell). I talked about that first great renewable resource in Ontario, hydraulic power, and was told it was all a bunch of garbage because it was far too expensive to develop.

Mr. Eaton: Nobody called it garbage.

Mr. J. A. Reed: I can recall talking about many of these other options. As recently as 1978, I talked about fuel alcohol production, because Ontario probably has more potential for fuel alcohol production than any other single thing. Certainly it has more potential for that than for any supposed petroleum resources that may lie in Hudson Bay or James Bay, although there may be some there and we hope the government will explore those areas.

The fact is that we know we are not going to hit a dry hole when we spend the money drilling for renewable energy. We know the answer. We know it is there. If we have to sort out economics on certain things, we know roughly where those economics are and where they will be as the price of petroleum changes and increases.

As I said earlier, as of today methanol is competitive with gasoline, at least according to the government's assessment of it. A very few years ago we were told it was pie in the sky.

Ethanol is a little more expensive, but the price of gasoline is escalating; in 18 months, it has escalated 60 cents. Will ethanol be competitive in August? Next January? Next June? We could not possibly get production facilities under way in that short a time, yet we know those lines are going to cross.

What about some of the others, the ones that are considered a little more exotic? There is an interesting example on page two of the June 1981 Canadian Renewable Energy News: "Pictured in Louisville, Kentucky, Harold Lafontaine's biogasifier, towing Lincoln, is immune to petroleum shortages." He is simply using a wood-gasifying machine, delivering a performance on his very big Lincoln of 3,200 miles per cord of wood.

That may sound a little pie in the sky too, but does the minister know that there were 75,000 wood gasifiers in operation in Scandinavia during the Second World War? Does the minister

know that the technology has been further refined and developed by at least two European firms that I am aware of and probably by many more? How many has the ministry actually looked at? Does the minister know that one of the earliest gasifiers was built right here in Canada?

We have the resources to utilize some of these things. Something like wood gasification is not everybody's cup of tea and it is not going to fill the need for a liquid fuel alternative. But it certainly fills the need for a shortage when there is no alternative.

All of these things, where the technology is well known and well in place, have been put on the back burner by this government. Instead of developing the energy potential that is available in Ontario, they have put all their eggs into the electric power basket and decided with great determination to bring on a new electrical age in Ontario, one that somehow will circumvent the need for storable liquid fuels.

I do not know how they are going to it. Maybe they are going to build huge extension cords for aircraft or trucks. Anybody in this Legislature knows very well that electric power will not be the ultimate substitute. We will need various energy forms, especially if we are going to be the least bit concerned about qualitative conservation.

The government talks a lot about conservation. They sing a lot about it on the radio and spend a tremendous amount of money promoting it. Yet they talk about using the electric power option when electric power applied to transportation in terms of supplying some kind of storable fuel would be a wasteful thing from a conservation point of view. It is much more efficient to produce a liquid option.

We do not have the petroleum in Ontario, but we do have these other potentials. We have this great potential for methanol which is sitting there now. As the technology progresses—and I have one example of the technology here today—we will have the potential for using that same cellulosic waste for producing ethanol. So methanol may not be the fuel of choice in the future; it may be ethanol.

Here is some literature from one of the companies that is among the world leaders in converting lignocellulose.

The Acting Speaker: This ties in to Bill 72?

Mr. J. A. Reed: Of course it does.

The Acting Speaker: I'm just asking.

Mr. J. A. Reed: Mr. Speaker, the reason this

bill needs to be debated is that this ad valorem tax goes on without any designation whatsoever. The people of Ontario at least could be persuaded reasonably to swallow it if it were earmarked, but the government does not even do that. It is riding on the backs of the people to try to reduce the deficit and would not dare commit itself to some of these options that give us the opportunity to restore Ontario's economy and to provide employment in areas of Ontario where it is so badly needed.

I wish they would think a little more about the potential for the employment of thousands in the north, in eastern Ontario, in the less-settled areas of this great province and about what it could do for those places and for our security of energy supply.

I cannot conceive of the rationale that has gone into something they call an energy policy at present. It becomes even more compounded when they would lay on this ad valorem tax and earmark not one nickel of it for what is the logical energy future in Ontario; that is, renewable energy development and conservation.

Quite frankly, because of this lack of commitment, we have become the most vulnerable province in Canada. When one thinks of the resources available in other areas and the amount of industrialization Ontario has, would like to continue to have and would like to expand upon, one cannot but be deeply concerned about this lack of commitment.

4:40 p.m.

Industry in Ontario now is highly electrified. That is as it should be. Electric power turns the motors of industry very well. But there are many other energy-demanding elements that go well beyond the ability of electricity to provide efficiently. The only province I can think of that perhaps has less potential in energy than Ontario is Prince Edward Island. Even Prince Edward Island is doing something about it; it is getting serious.

It is a disappointment to have to talk about this tax that is being placed on the backs of citizens and will rise according to price increases Ontario does not control. It will allow them to profit in a windfall manner.

Finally, they have no commitment to use that money directly in the production of the energy resources available to the people of Ontario.

The government has failed the people of Ontario badly. The only way they might redeem themselves in this situation would be to withdraw that tax. I see no other option.

If they want to place a tax on fuel to finance

road maintenance and construction, which they always had before, that is fine. Let them introduce it as a direct measure of taxation and we will vote on it in this Legislature, for better or worse. But the ad valorem prospect is the killer because with each increase in the price, which is created outside the jurisdiction of this province, their take automatically increases.

If I have a message to bring to the people of Ontario during this next term, it will relate largely to many of the things I have said this afternoon about the hypocrisy and about the four to five years spent not on capitalizing on recognizing some realities about the energy future but simply in playing politics up and down the street.

Now, when the chickens are coming home to roost, they are foisting one of the worst possible economic evils on the people of this province.

If all the things said by the Premier, the Treasurer and the various Ministers of Energy who have come and gone in the past were true, then this increase we have experienced and the added tax those fellows are putting on will have a resounding effect on the economy of Ontario. Sixty cents in 18 months will have a resounding effect; obviously it will be felt by this fall or by the end of this year.

According to their words, ones repeated so many times before, the effect will be disastrous. They will be aiding and abetting a party that is manufacturing that destiny. When it comes along, if they do not rescind this tax we are going to remind them of it, and we are going to remind the people of Ontario of it time and time again until the next election.

As Energy critic, I have attempted to be objective as much of the time as I possibly could, to be realistic as much of the time as possible. I have attempted to be fair. I have attempted to praise the government where the government needed praising. I have attempted to encourage it where it needed encouraging, where it knew there was some political risk involved but where, by joining forces, common sense would prevail. But this hypocrisy is one of the reasons that I am very glad to be on this side of the House representing this party.

Mr. Foulds: Mr. Speaker, I do not believe there is a quorum.

Hon. Mr. Ashe: In other words, your speaker isn't here.

Mr. Speaker called for the quorum bells.

4:50 p.m.

Mr. Cassidy: Mr. Speaker, I wish to thank the government members for joining in this debate, at least to participate. I recall a week ago Monday when they fled the House in such numbers that—

Mr. G. A. Taylor: It's time to leave now, fellows. Irrelevant material now is being put forward.

Mr. Cassidy: Irrelevant? I will tell my friend what is irrelevant. Here is what the then Minister of Energy, the member for Ottawa West (Mr. Baetz), had to say back in 1978 at a time when a \$1-a-barrel increase was being suggested and the Ontario government opposed it.

He said at that time that it was inappropriate and that Ontario was making strong representation against that increase in the price of oil, which includes the price of gasoline. He said you should not increase the price of gas and oil while the Canadian economy is soft, when unemployment is high and when inflation is still not under control.

The situation has not changed one iota between that time in 1978 and today. Today we have inflation definitely not under control. We have inflation at the highest rate in the last 30 years. We have a rate of unemployment in Ontario that continues to hover around 300,000 men and women. We have a situation where the economies of both Ontario and Canada are soft.

There is a former Minister of Energy here, the member for Prince Edward-Lennox (Mr. J. A. Taylor). He will recall the number of times he opposed increases in the price of oil because of the economic impact they would have had on this province.

I ask myself: If that minister was right at that time, and if the member for Ottawa West was right at the time he opposed increases in the price of oil at the national level when he was the Minister of Energy, then how is it that these Conservative members now can be endorsing an increase in the gasoline tax that, on a per barrel basis, is greater than the increases they opposed a year or two years ago?

I ask my friend the member for Prince Edward-Lennox to consider that the increase imposed by the Treasurer (Mr. F. S. Miller) in his budget raised the tax on gasoline in one jump from 4.6 cents a litre to an average of about 5.8 cents a litre. That will be the cost on unleaded gasoline, which is the major product on the market right now; it will be a bit more for premium and a bit less for the leaded gasoline for those cars that can still use it. This is an increase of 1.2 cents per litre, which is equal to

an increase of about \$1.92 per barrel.

But when the member for Prince Edward-Lennox was the Minister of Energy he was saying what damaging effects an increase of \$1 a barrel would have on the Ontario economy in terms of how it would translate into the price of gasoline and oil here in Ontario.

Admittedly, this increase is only on gasoline and not on heating oil. But, given the fact that gasoline is 30 per cent of the consumption of oil in Ontario, we are talking of something that in one year is equivalent to what the member, when he was the minister, opposed so adamantly.

Then look ahead to next year, 1982. The estimates we had from the Treasurer on budget night indicated an increase of another 1.8 cents a litre as a consequence of this new gasoline tax, the ad valorem tax that the government of Ontario is using its majority to ram down the throats of the people of this province.

That translates into the equivalent of a further \$2.88-per-barrel increase in the price of gasoline. It is the same as though they increased the price of oil by \$2.88 when it gets down to the pocketbooks of people who drive, who have to pay transit fares or who have to pay for trucking in Ontario.

In 1983, the increase will amount to a further ninety-four one hundredths of a cent per litre. That does not sound like a lot, but remember that song about, "Seven and a half cents doesn't mean a hell of a lot, but give it to me every litre"? At 4,000 litres per average car per year, if I can paraphrase the Broadway musical, it does amount to a hell of a lot of money. In 1983, that amounts to a further \$1.50 per barrel.

If one adds a \$1.92-per-barrel increase in 1981, a \$2.88-per-barrel increase in 1982 as a consequence of this tax and another \$1.50-per-barrel increase in 1983, and then translates that for those of us who still understand gallons better than litres, believe it or not, it means a tax increase of 18 cents per gallon by the Conservative government of Ontario over the three years.

I call on the member for Prince Edward-Lennox and his colleagues to recall that at the time of the budget of the former federal Minister of Finance, John Crosbie, in December 1979, the increase that was imposed and the excise tax the Tories proposed was 18 cents a gallon, precisely what the government intends to make over the next three years as a consequence of this tax.

At that time the government was so adamantly opposed to this that the Premier and the

Treasurer damned John Crosbie and then Prime Minister Joe Clark up and down, backwards and sideways, to the point that the Treasurer's statements were actually used by the federal Liberals in their advertising in the election campaign.

The Conservatives at that time were so appalled by the federal tax increase proposed by the Clark government, by their fellow Conservatives, that they actively supported the re-election of the federal Liberal leader, Pierre Trudeau, rather than see Joe Clark and John Crosbie impose that increase of 18 cents per gallon on gasoline.

Why is it that an increase of 18 cents per gallon on gasoline that was so wrong for Canadians in Ontario in 1979, according to the Ontario government, now becomes so right that the government is prepared to impose it with a tax that allows Ontario to piggyback its gasoline tax on the basis of every other increase that is proposed?

Ottawa recently announced an increase of 1.5 cents per litre, an increase imposed by the federal government partly because of the added costs of imports caused by the cutbacks in Alberta and partly, I believe, because of the acquisition of Petrofina by the public sector.

That measure by Ottawa led in turn to an automatic piggybacking by Ontario that was equivalent to a further increase of 50 cents per barrel in the price of gasoline taken by this government. That indicates just how far the government has gone from the adamant opposition it was putting up to gas tax increases just a few short months ago.

This comes on top of a budget that is so unfair, so biased, so blatantly pro-corporation, pro-investor, pro-Bay Street, pro all the fat cats in Ontario society and so blatantly anti the interests of the working people of Ontario, so blatantly opposed to the interests of the loggers, the miners and the people who live in northern Ontario.

It is also opposed to the interests of the people in eastern Ontario who have to drive long distances to go shopping or to their work and who do not have public transportation the way it is provided in Metropolitan Toronto.

When it is coupled with a budget that takes nothing from corporations and \$600 million from the ordinary people of the province, I am surprised there are not a few Conservatives prepared at least to speak up and say what they secretly feel, even if they are not prepared to vote against the Treasurer.

5 p.m.

The member for Prince Edward-Lennox has a seatmate, the member for Renfrew South (Mr. Yakabuski), who had the temerity the other day to raise a question as to why bank profits were so high. I congratulate the member for Renfrew South. He has seldom shown that kind of independence.

But I wish there were a few Conservatives who realized that when there is a majority situation it is in their political interest to stem the arrogance of the cabinet and to help keep the cabinet honest by indicating what their constituents are telling them.

The member for Prince Edward-Lennox knows he has almost no public transportation in his riding. His constituents have to drive long distances. His constituents agreed with the New Democrats and agreed when he and the Minister of Culture and Recreation (Mr. Baetz), the Minister of Energy (Mr. Welch) and the Premier (Mr. Davis) at various times expressed opposition to the efforts to increase gasoline and home heating oil prices.

The member for Prince Edward-Lennox knows that is the opinion of his constituents; so why, for a change, does he not side with his constituents now to keep the promise he made to them, rather than going along the flip-flop route of the Premier, the Treasurer and the rest of the cabinet?

Is it not about time that we had some honest dissension on the Conservative side rather than this sheep-like conformity, this blue-tinged flock that goes along with the Treasurer and the Premier? Whenever they are told to jump, they jump. Whenever they are told to leap, they leap. Whenever they are told to levy another tax and sock it to the working people of the province, they go ahead and say: "Ready, aye, ready, Bill. We think you are right 1,000 per cent."

What we are getting now is what we get from a majority government. I suggest that the flip-flop that has occurred right now can come for only two reasons, one of which is hypocrisy and the other being cynicism.

I am not sure whether the hypocrisy and cynicism began after March 19, when the government got back its majority, or whether the hypocrisy was with the government during all of that period when it purported to be opposing the increases in oil and gas prices being proposed by the federal government and the Conservatives in Alberta.

Listen to this statement: "Our government is not working for windfall revenues from higher

prices"—that would suggest the speaker was opposed to any tax that moved up automatically as other prices or taxes at the federal level or at the Alberta level were increased—"and the federal government should not be entertaining that idea either."

That was a statement by the Premier at the first ministers' conference on oil and natural gas policy on Monday, November 12, 1979. The passage of a year and a half has certainly changed things.

The Premier said that at a first ministers' conference; and, to make it even worse, he said it on television. I have been around this country long enough to know that if people see a politician saying something on television, then they have to believe it. Is that not what they were saying with the "Keep the promise" campaign? There was the Premier all through the election campaign saying: "I have kept every promise I made in the election campaign, every one I have been able to keep. Give us the government, and I will complete the rest."

There he was, larger than life, sitting in the conference centre in Ottawa along with the premiers from the other provinces, the premier of the largest province in Confederation, saying solemnly to all the people of the country that our government was not looking for windfall revenues from higher prices.

I sent my 13-year-old child off on a school trip this morning. He was going to the United States, as it happens, because his school was going down to Cape Cod.

What do I say to my child if he comes to me when he comes back and says: "You know, Dad, I was reading in the papers in the United States about these politicians who never tell you a straight story, who make a promise at election time, but then they change their promise. They will not keep their promise and they are just a bunch of crooks down there"?

Mr. Kerr: Is he sitting on your knee?

Mr. Cassidy: He would be too big for that.

What will I say if he says to me: "Say it ain't so. That is not the case up here, is it?"

What will I say if he says to me: "You know, Dad, I remember the day that the Premier appeared at that first ministers' conference up in Ottawa. I remember because I was home sick from school that day, and I heard the Premier of Ontario say that our government is not looking for windfall revenues from higher prices"?

Then if he might say to me: "Why is it that a day or so after that budget, when we drove in the car to the gas station, the price of the gasoline

was up by a 1.5 cents a litre and the sign at the gas pumps said, 'The tax increase you have to endure today is courtesy of Frank Miller and of William G. Davis, Premier of Ontario'? Isn't that a windfall profit that is coming?"

What do I say to my son then? How do I assure him that as a politician I am dealing with honourable men and women in the Legislature of Ontario when a statement that was made so clearly just 18 months ago is apparently not to be the case today because the Premier of the province gave the authority to the Treasurer of the province to change his mind?

How do I explain that, rather than fighting the increases in oil and gasoline prices, rather than being part of a solution and helping to maintain a situation of having a made in Canada and made in Ontario oil and gasoline price, the Premier, the Treasurer and all of the Conservative majority government moved from being part of the solution to being part of the problem? What hypocrites they are. What a bunch of cynics they are.

What do I say if my son comes back to me and says, "Did the Premier mean what he had to say back in 1979, or was he clinging to power at that time by saying what he thought people wanted to hear to avoid an election over an oil and gas policy that was designed to benefit Imperial Oil, Texaco and Gulf—all those great Canadian-owned companies"? It was designed to benefit all of the oil multinationals and to allow them to increase their profits and to take them out of the country, but the Premier did not want to say so in public for fear that the government would be plunged into an election before it thought the time had come.

Keeping the promise surely means holding to what they said or, at the very least, having the good grace to explain why it is that they decided to change their mind. There has been no explanation. There has been no rationale. There has been no justification. There has not even been an excuse. It has just been a bare-faced grab into the pocket of everybody who has to drive a car in the province and nothing more than that.

The Premier went on to say: "I am well aware that finance ministers like to operate on their own as best they can." That sounds like fiscal irresponsibility to me. "However, it would be unconscionable for the federal government not to return honestly all discretionary new revenues back to the people. This cannot be fudged, particularly in the case of low-income families

and those who have no immediate option but to continue to use the automobile and the oil furnace."

I will repeat that. My son believed him at that time but boy, never again; they have made him a New Democrat for life and into the grave. The Premier of this province said: "It would be unconscionable for the federal government not to return honestly all discretionary new revenues back to the people. This cannot be fudged, particularly in the case of low-income families and those who have no immediate option but to continue to use the automobile and the oil furnace."

Fudged it has been, to the point where this government now intends to take 18 cents a gallon in increased taxes on gasoline from people who drive cars, low-income and high-income people alike. It begins this year with no advance notice and no opportunity for them to change their driving habits. In many cases they have no alternative but to use private transportation because public transportation is not available.

5:10 p.m.

That has come from the same Premier who said the federal government should take all the discretionary new revenues it was getting from increased oil prices and hand them back to the people. Where are the actions of this government in handing that money back to the people? The answer is they have made no such action at all.

Here is a government that talked about international oil price increases being intolerable and saying, in the Premier's words again, "It would be a serious dereliction of duty to the people and to the future of our country to deny protection of people in this country against those oil price increases by the sheikhs of Arabia, of Mexico and of Venezuela."

Now we have the sheikhs of Toronto. They are located at Queen's Park. Eighteen cents a gallon is coming out of our pockets, not because of Peter Lougheed, not because of Imperial Oil and the rest of the Seven Sisters, and not even because of Maurice Strong and Petrocan. It is coming because of the actions of the Tory government of Ontario.

The Premier said, "We have an opportunity to cut ourselves loose from American oil price increases." He has acted as vigilantly on that one as he has been acting to cut us loose from American increases in interest rates.

The Premier said the oil price proposal which was then being negotiated appeared to be "an

excessive and imprudent response to the claims of the producing provinces and the petroleum industry."

I think Peter Lougheed is to be congratulated for the restraint he has shown since Ontario decided they would join the tax sweepstakes for gasoline as they did a month ago. What the Premier had to say at that first ministers' conference in November 1979 could apply every bit to Ontario's actions and be used as words by Peter Lougheed today.

Hon. Mr. Ashe: You said that. You sound like a broken record.

Mr. Cassidy: I want to congratulate the Tory members for staying here in larger numbers than they did a week ago Monday. They have obviously learned something.

Mr. Eaton: Someone had to have the bell rung so you could get in to make your speech.

Mr. Cassidy: The Liberals collapsed and were speechless; that was his problem.

In November 1979, this government criticized the proposal for a 30 per cent increase in excise taxes in the transportation sector. It criticized the \$4-a-barrel increase proposed under Joe Clark's national energy policy. Now the increase proposed by this government will amount to half of what they criticized then.

The government said in November 1979 that the increases the government of Canada was proposing would risk a national recession. An increase is an increase is an increase. We can get a recession in Ontario as a consequence of a provincial tax hike every bit as much as we can get a recession as a consequence of a federal tax hike.

The Premier warned us a year and a half ago. He said, "The only thing we do know is that a massive increase in the price of oil can stall economic activity and slash employment growth." Anybody who votes for this gasoline tax increase is voting for a measure that will stall economic activity and slash employment growth.

In this debate I decided I would not write my own speech; I would simply quote the speeches made by the members of the government, because they say it all. The hypocrisy of the government is showing because they decided to change their minds and grab this money from the taxpayers of Ontario.

The Premier said increased prices do not have a big impact on consumption in this country, because "our rate of oil consumption is determined essentially by our unique needs. Our distances are great."

Has this government done anything to reduce the distances that people are going to have to drive in the great province of Ontario? Will it not continue to be more than 1,000 miles from Kenora to Toronto by road? Will it not continue to be 265 miles between Ottawa and Toronto by road after this tax is increased? Will it not seem even further if we measure the distance in kilometres?

Mr. Laughren: Come to Shining Tree.

Mr. Cassidy: That is right. It will be 485 kilometres to Shining Tree, if you are lucky.

Mr. Laughren: That is from West Shining Tree.

Mr. Cassidy: That is from West Shining Tree. When you measure it in litres per kilometre, it is even worse.

The Premier said that our resource industries are energy-intensive. Is there going to be a change in that? Are we going to stop having a forestry industry, a basic steel industry, a mining industry? These are the industries on which our economy is based. They too are heavy users of gasoline, and they are going to have to pay the extra cost that will be a penalty in terms of economic activity and in terms of jobs.

The member for Middlesex is sitting there putting his hand up and down as though he wished he could enter this debate, except that his House leader or House whip has told him not to. I suggest that, rather than gesturing ineffectually the way the member is doing right now, he should calculate the cost for the farmers in his riding who have to pay extra in fuel costs for farm trucks and who have to pay extra in terms of gasoline costs for all the other gasoline-powered equipment on their farms.

The member should think of what that is going to mean for farmers who are driven to the wall because of the high interest rates right now. How many more of his constituents will risk being driven into bankruptcy, will risk facing the fate of Henry Friesen who tomorrow or the next day will have the Bank of Montreal's auctioneers come to his farm at Mildmay and sell everything off because between the increased costs and the inadequate returns, Mr. Friesen, who is a career farmer, cannot afford to maintain his interest payments and stay in farming?

The member for Middlesex knows just how many thousands upon thousands of litres of gasoline the average farmer needs today to stay in business. On every one of those litres that farmer is going to be paying an extra 1.2 cents in 1981, an extra 1.8 cents in 1982 and an extra 0.94

cents in 1983; and every year thereafter there will be further increases on what that farmer will pay.

Interjection.

Mr. Cassidy: What the member says is, "Who is going to fight for purple gas?" and that is the way the farmers are going to get around it.

Mr. Eaton: Don't put words in my mouth. I didn't say that.

Mr. Cassidy: That is exactly what the member was saying. Or blue—it will be blue gas, and every gallon is going to have a little label saying: "This blue gas was brought to you by the party whose distinctive colour is blue."

Hon. Mr. Ashe: Good suggestion. We'll take it under advisement. Why don't you understand the problem?

Mr. Cassidy: Yes, he probably will. The Minister of Revenue (Mr. Ashe) is obviously going to get the program going. I have heard that he has cornered the market on blue dye and that there is none left for any other province or state that wants to follow that particular program.

I want to suggest that there are workmen who work the 6 a.m. shift at Stelco and have no choice—because the Minister of Housing (Mr. Bennett) cannot provide housing for them near their work—but to get into their pickup trucks or their cars and set out for work at 5:30 a.m. and drive 15 or 20 miles each day, each way, to and from work. For those workers, the gasoline they have to use is every bit as essential as is the gasoline that the farmers use, but the farmers are going to get special treatment.

Why is it that they distinguish that way? And why is the member for Middlesex not prepared to admit that if the farmers deserve a break because gasoline is essential for their needs, so do people who have small businesses need that kind of a break? People who are forced to commute long distances also deserve a break. So do people who have to work unsociable hours, our hospital workers, for example, who have to come on shift at two in the morning, or at 5:30 or 6 a.m., for whom public transit is not an alternative even if they live in the major cities where public transportation is generally available.

In all of those cases the use of a private automobile is not a luxury; it is an essential need if the worker is to carry out his or her duties.

5:20 p.m.

But this government simply says: "We will

find some groups like the farmers to whom we will give special treatment, since we can identify their vote and try to keep the promise with them and keep them in the fold in 1985. But as far as the broad measure of small businessmen and working people in this province are concerned, we will put them against the wall with this 18-cent increase and the promise of an ad valorem increase that will continue year after year after year."

I am reminded of that quip in *Love Story* where they say, "Love is never having to say you are sorry." A good tax for Tories is never having to say you are sorry or to come back to the Legislature to get legislative approval.

They do not like bringing tax increases to this place. That is why they increase Ontario health insurance plan premiums every year. That is why they have put on this ad valorem tax; so that it will generate new revenues year after year after year. It does not matter that the Premier said it was a bad tax. Now they have decided to get on the gravy train and become part of the problem in the increase of oil prices in Canada.

Let me go on with what the Premier had to say. He said in November 1979: "Ontario insisted that massive price increases would be unjust, unnecessary and damaging to the Canadian economy, if not to the fabric of Confederation."

It appears that the Premier was really saying—this is where my son was obviously deceived—that a tax or price increase is unjust when it is imposed by Allan MacEachen, by Mervin Leitch, by the government of Alberta or by the federal government. But take the same dollar value of a tax increase and make it an Ontario tax increase and suddenly it is justice for all. That is a double standard that exposes the hypocrisy of this government.

The Premier said back in November 1979 that further substantial price increases would constitute "not a cost we must assume to be secure, but a tremendous tax increase that would only benefit the governments of Canada and Alberta and of Saskatchewan as well." So he was saying: "It is not right to let those governments increase their taxes. Leave us the tax room, because once we get the majority we are going to go ahead and do it," as the government has now gone ahead and done.

The government of this province, adamantly opposed to a 30 per cent excise tax at the federal level, now imposes a 20 per cent excise tax at the provincial level. I ask you, Mr. Speaker, and I ask the member for Middlesex South, what the devil is so different between the Joe Clark increase—

Mr. Eaton: On a point of privilege, Mr. Speaker: I just want to inform the member that the riding is Middlesex. I know he never came near it in the election, because he did not have a chance in there. He did not even help his candidate. But it is Middlesex, not Middlesex South.

Mr. Cassidy: The member for Middlesex wants the House to recognize that he was finally here for a debate when the opposition was speaking—

Mr. Laughren: It is the only speech we have ever heard him make.

Mr. Cassidy: That is right. Since the member for Middlesex has now risen, I want to challenge him to get on his feet after this and say what the impact of this tax increase is going to be on the farmers in the great riding of Middlesex and to explain why it is that the Treasurer could have got on his feet—I remember the day; as a matter of fact, I gave a speech on industrial strategy in the great riding of Middlesex round about November—

Mr. Speaker: Mr. Cassidy, could we keep to the bill and not the travelogue?

Mr. Cassidy: I am being provoked, Mr. Speaker.

Mr. Speaker: Just ignore it.

Mr. Cassidy: It was around November 1977, Mr. Speaker—

Mr. Speaker: Talk about the bill in 1981.

Mr. Cassidy: I spoke to a meeting in St. Jacobs in the member's riding, and I spoke specifically—

Mr. Eaton: St. Jacobs is not in Middlesex.

Mr. Cassidy: Is that not in Middlesex?

Mr. Eaton: He does not even know where it is.

Mr. Speaker: Order. Continue with the bill, Mr. Cassidy.

Mr. Cassidy: The member for Middlesex should explain why it is that his Treasurer in December 1979 got up in this House and talked hour after hour. It was a statement on motions, as I recall, as to the impact of the Joe Clark budget on the people of Ontario. He warned of serious economic problems from the 18-cent tax increase on gasoline, the tax increase that he now intends to impose.

The Treasurer said in 1979: "We have strongly opposed and continue to oppose price increases which go beyond the current federal-provincial agreement." That is exactly what he has imposed right now.

The Treasurer said about 18 months ago that there had to be massive reinvestment of energy tax revenues to ensure that the economy of the country did not receive a mortal wound from the 18-cent tax. Will the Minister of Revenue get up and explain how it is that the Joe Clark tax would have imposed a mortal wound on the economy of this province but the tax imposed by the Treasurer will not do the same thing?

The Treasurer warned of higher levels of inflation, but that was a year and a half ago and somehow things have changed today. He warned of a drop in consumer and business incomes, but that was a year and a half ago and somehow he does not expect the same thing to happen today.

He warned that we would not get energy conservation from the increase, but somehow it is going to work differently today. He warned of the fact that there was need for offsetting programs to cushion people on low incomes, but he has not proposed anything like that in the budget whose gas tax provision we are debating today.

The Treasurer said some provinces are more equal than others. Now he is turning around and saying, "Yes, Ontario is more equal than the rest, and that is why we are going to have an ad valorem tax and become part of the mechanism of taking money out of people's pockets."

He said the federal government was proposing to ease its budget deficit with the revenues it would get from the 18-cent excise tax, an ad valorem tax—I see the Treasurer has come in; perhaps he will recall the words I will quote to him.

On December 13, 1979, the Treasurer expressed his undying opposition to the 18-cent increase in taxation on gasoline and fuel oil. He said, among other things: "It is a tradition of the taxation that was established by the federal government that it should be used to subsidize the higher cost of imported oil used in eastern Canada." That was the 10-cent tax originally introduced by John Turner.

The Treasurer said then that the purpose of the federal excise tax had been lost, because the federal government was proposing to ease its budget deficit with the revenues from the Joe Clark-John Crosbie excise tax. Yet that is precisely what the Treasurer intends to do with the increase in the gasoline tax we are debating today.

How come it was wrong for Mr. Crosbie to try to reduce the federal deficit, which the Treasurer has lectured everybody on so frequently, by means of the excise tax on gasoline, but

somehow it is okay for the Treasurer to seek to reduce his provincial deficit by means of an identical tax in an amount that over three years will be identical to the tax that Joe Clark and John Crosbie were trying to impose? I have to say, I cannot understand it.

Then, back in December 1979, the Treasurer said: "I am greatly dismayed that the federal government would levy a tax on fuels used in public transit." He was so dismayed in 1979 that when it came to his budget a month or so ago in the Legislature of Ontario he imposed an increase in gasoline tax which, believe it or not, will be levied on public transit in Ontario. Those elements of public transit that do not depend on gasoline will be hit by the increase resulting from the change to an ad valorem basis for the diesel fuel tax in Ontario.

Why was it wrong for John Crosbie to tax public transit but it is right for this Treasurer to tax public transit? Why is it, as well, that we have not seen any offsetting measures at least to encourage people to move to public transit, if that is the judgement of the government?

In December 1980, with the connivance of the Minister of Transportation and Communications (Mr. Snow)—there was consultation, and everybody knows it—Paul Godfrey, chairman of Metropolitan Toronto, got the Toronto Transit Commission board to sneak through an increase in its fares to one of the highest levels on this continent. It was done at a time when this Legislature was adjourned. It was done at a time when the Legislature was not even slated to meet again. And that was called keeping the promise.

5:30 p.m.

In my city, to add insult to injury, not only was there an increase in transit fares at that time, but at the end of January the OC Transpo board, over the opposition of the representatives of the city of Ottawa—who represent three quarters of the riders on the system but who have been given less than half the representation on the OC Transpo board thanks to the kind of regional government we have had from this government—sneaked through not one but two increases in the basic fares for transit riders in Ottawa.

So did the government keep the promise? Did they wade in to try to protect transit riders, saying, "We know we are going to raise the tax on gasoline; the least we can do is keep transit fares affordable"? Did they help? They did not lift a finger.

When we challenged them, they said: "That is a decision made by an autonomous transporta-

tion commission. We are awfully sorry, but we are not prepared to provide any leadership to make sure public transit is not just the finest in the country and on the continent but also maintained at a level that is affordable."

From that precedent I know very well that, now there is a majority here, this government intends year by year to stand aside. It is going to soak people by making them pay extra for gasoline and diesel fuel, and it is going to allow the transit systems to push the fare up.

I suspect that by the end of this term, by 1985, we will find people will be paying as much as \$1 a ride on a subway or a bus—where subways or buses are available. But if they turn to driving their car, they will find they are paying much more extra cost because of the actions of the Alberta government, the federal government and their one-time, erstwhile long-time opponents, the Ontario government.

That kind of flip-flop is very hard for me to accept. The government has a tax that is going to take at least an additional \$100 per family between now and 1983, and it couples that with a budget that is regressive and inequitable. It links that as well with an energy policy that has repeatedly missed the mark in terms of encouraging conservation, encouraging a better use of the oil, which we do not have in this province, and encouraging a more prudent use of a resource of which, like it or not, there are limited resources. When it does all this, I have to ask why the government even purports to say it has an energy policy.

I am glad to see there has been some imitation by the government of the Warm Up Ontario policy the New Democrats proposed during the course of the election campaign. It is a policy directed towards saving a massive amount of the imports into Ontario of crude oil from Alberta. That is a positive step, and it came only because of the pressure and the creativity of people in the New Democratic Party.

One might ask why it is such a half-baked program. Why is the government only prepared to go such a limited distance? Why have they not been prepared to spend money on conservation in the way they have been prepared to collect money, for example, from people who pay this gasoline tax?

The government was budgeting \$16 million, I think it was, for renewable energy and conservation, and it did not even spend to the amount that was allowed in the budget. Yet here we have a province that was using 11 billion litres of gasoline every year, plus I do not know how

many billion litres of diesel fuel, just for road transportation, for trucking and for passenger cars.

What kind of priority is that? What kind of priority is it when the Treasurer can collect an additional \$100 million from the tax this year alone and will increase that by double over the course of the next two or three years, and yet he is not prepared to take any of those revenues and put them into providing means whereby people can be helped to save on the use of gasoline, diesel fuel and heating oil, which we have to use so much of in this cold climate?

Those contradictions disturbed me very much. What we really have is nothing but a grab for revenues by a Treasurer who is determined that in the first year of majority government, the government will take the revenues from any place they can be found.

It does not matter that it hits working people more than people who are rich or that many people on modest incomes have to drive 12,000, 15,000 or 18,000 miles a year, the same amount as people on high incomes. This is a tax increase that will hit working people, relative to their incomes, as hard as or harder than people in the upper-income brackets.

It does not matter to this government that people for whom automobiles or light trucks are a necessity are going to have to pay as heavily as people who use their cars to tootle off to Muskoka every weekend to enjoy their cottages. It does not matter to this government that the tax will be no greater for people who put gasoline into a big motor cruiser that putts around Lake Ontario getting a mile and a half a gallon than for somebody who has to drive a car many miles to and from work.

It does not matter to the government that people with high incomes often have a means of avoiding this tax directly and completely. They drive company cars; the company provides the car and the gasoline. In various ways that is written off as a business expense. The poor working stiff has to pay the full burden and more of this tax as he has to show up at work at 6:30 in the morning, driving his old, beat-up 1973 Chevy that only gets 13 miles to the gallon, unable to afford another one because of the cost of housing, food and everything else.

It does not bother this government. It does not bother the members opposite that they are now installing a tax that, without the authority

of this Legislature, will see more revenues from the people of Ontario year after year without any further legislative authority.

Hon. Mr. Ashe: Have you told Premier Allan Blakeney of Saskatchewan that?

Mr. Cassidy: I am talking about what this government is doing here in Ontario. If this government did as good a job as Premier Blakeney in giving the people of Ontario a share of resource revenues then, by God, we would not have to increase this gasoline tax at all.

We have allowed the nickel to slip through our fingers. I have been asking questions about the cartel price of uranium, which is now costing us \$50 million in excess every year. We would not have to increase this tax if we were getting that into the pockets of the people of Ontario. I have not heard the minister talk about that.

Out in Saskatchewan, the Blakeney government has a share in oil and gas development. This government had a share in Syncrude, and what did it do with it? It took a quickie profit and got out of the game entirely.

I understand a year or so ago the government thought it had some money and might put it into an oil company. Obviously that turned the stomachs of some of the true blue Conservatives. Maybe the Treasurer was among them. Was he among them? He opposed that acquisition, I understand.

Let it be put in the record that the response to that question by the Treasurer can only be described as sphinx-like and enigmatic, if not Delphic. The Treasurer will not indicate which stand he took.

In Saskatchewan, the people of the province have a stake and a share in the resources. In this province we have a minuscule share. What is it? We get 1.8 cents on the dollar in terms of tax revenues from our resources. This is where the Minister of Revenue might step in. We get 1.8 cents for every dollar of mineral production.

Mr. Speaker: Will you return to the bill please, Mr. Cassidy?

Mr. Cassidy: This is germane, Mr. Speaker, because if we had decent resource revenues as they do in Saskatchewan, which the Minister of Revenue introduced into this discussion, where they get about 18 cents on the dollar from resources taxation, we would not need this particular tax increase and we could deal fairly with people who have to drive their cars to work because no other transportation is available.

Hon. Mr. Ashe: Why does Premier Blakeney have it then? He does not need the money. It must be a windfall.

Mr. Cassidy: They have a fair tax system in that province.

Mr. Speaker: Order.

5:40 p.m.

Mr. Cassidy: Call the Minister of Revenue to order, Mr. Speaker. I ask the Minister of Revenue to explain how it is that a year and a half ago the Premier and the government were opposed to making windfall profits from increases in oil prices, and now what is the Minister of Revenue doing? He is the windfall con artist of them all. He and the Treasurer are sitting there with their golden pots taking the windfall, a few pennies, a few fractions of a penny on every litre every time the price is raised.

Hon. F. S. Miller: Is that plots or pots?

Mr. Cassidy: Pots.

Hon. F. S. Miller: It was pots, not plots.

Mr. Speaker: Continue, Mr. Cassidy. Never mind.

Mr. Cassidy: They have their begging bowls out, and they are taking a share every time the price goes up in Alberta and at the federal level. I say that is wrong. I say it is part of a budget that is wrong.

I say the Treasurer was wrong to sock it to ordinary people and leave corporations unscathed, and I say it is about time we had a government dedicated to closing up tax loopholes on corporations and to making Imperial Oil pay a tax rate as heavy as the tax rate paid by a machinist at Algoma Steel, as heavy as the tax paid by a farmer in Middlesex county or as heavy as the tax rate paid by a civil servant living on MacLaren Street in the great riding of Ottawa Centre.

If individuals in the province are having to pay marginal tax rates of 30, 40 and 50 per cent plus huge taxes on oil and gas and everything else, I cannot see why we should not tax corporations. When we have that kind of tax fairness, then let the government come back and argue whether an ad valorem tax makes any sense, but not before.

Mr. Elston: Mr. Speaker, I was very pleased to listen to the remarks of the leader of the third party and to be relieved of having to quote again many of the facts and figures that have come out. I have also been relieved of quoting from many of the speeches which I have also reviewed

concerning the difficulties the government formerly had with respect to increasing taxes in many of the areas and paying extra costs.

Hon. Mr. Ashe: The same ones all over again. That's all right.

Mr. Elston: No. I have some specific problems with this bill, and they relate to my duties as a member elected from the riding of Huron-Bruce.

First of all, I want to make some general remarks about the bill in relation to Ontario. I think it is very clear that this gas tax has been calculated to add to the revenues of this province, but the people of the ministry have not shown an ability to calculate what it is going to do to the various segments of the industries of this province, notably some of the very important industries, especially tourism.

As the honourable members all know, tourism is a very important part of the economy of this province and requires a great deal of money to be spent on gasoline to travel from one centre to the other.

I might just remark at this point that my riding of Huron-Bruce has a very active and large seasonal tourist industry that requires the people to have access to the purchase of reasonably priced fuel in our area. If we deprive the people of my riding of the income coming to them during the summer season when it is very easy to have access to the beaches of Lake Huron and to the shores of Georgian Bay through my riding, those people will feel the pinch even more than the individual members of the industry in other segments of the province. I will get back to that a little later.

I want to mention that when we consider that this bill has an ad valorem tax instituted on the sale of gasoline in the province, it is a little difficult to take. It reminds me of the election campaign when I was running in Huron-Bruce and meeting the arguments of a worthy opponent who was running for the party opposite.

One of his major points was that, of course, there had not been a tax increase in the province for more than a year. He pointed out with great assurance that this was going to continue and that he was very proud to be supporting the government along those lines. He went on to point out several areas of difficulty he found in government policy. In the area of taxation he found it very easy to support his particular party in the position they held of not having raised the taxes.

I tried to point out to my honourable opponent that the government of the day was actu-

ally in the process of increasing taxes in the province on a day-to-day basis. I pointed out to him the retail sales tax which, as everyone knows, automatically increases—

Mr. Boudria: It is ad valorem.

Mr. Elston: That is very true. The member for Prescott-Russell points out it is also ad valorem.

In any event, it raises the revenues of the government every time an increase occurs in respect of the retail sales prices of all the commodities purchased by individuals in the province.

He did not seem to see that as a difficulty. But he probably would be very upset to see that this particular gas tax is also on an ad valorem basis. He, as a farmer, would probably be very concerned about it, as I am sure some of the newly elected members opposite from the farm ridings of this province are also very concerned about this sort of tax.

Mr. Wildman: Not one of them has spoken in this debate.

Mr. Elston: The fact that some of the honourable members sitting opposite who represent agricultural areas have not spoken probably reflects their confidence in the members of the agricultural ridings who sit on this side of the Speaker to put forward the case of the people of the agricultural ridings. I appreciate the confidence they are displaying in us at this particular time.

Mr. Boudria: We will have to speak twice as long.

Mr. Elston: We will certainly do our best to point out all the deficiencies to the government and to let it know we are looking after not only the agricultural interests of the people of our particular ridings but also the interests of the people of the ridings whose members are not able to put forward their particular concerns in public. It behooves all of us to look after the interests not only of our particular ridings but also of the province in general. We certainly will undertake to do that.

Getting back to the particular matter at hand, it seems to me that the gas tax has a terrible impact on several areas hit hardest in my particular riding. My riding of Huron-Bruce is located by the shores of Lake Huron, far removed from any areas of mass transit systems. It is also being increasingly abandoned by high-volume transportation, particularly rail facilities, bus services and things like those, which would give a competitive advantage not only to industry but also to tourism and to farming people.

Unfortunately, there is always a way to get into our riding, and several candidates find that way every election. Our airports are not always suitable for heavy landing of aircraft, but when Tories want to get into our area they certainly can.

Just let me speak for a few minutes on specific matters that do concern me and the people of my riding as a result of this particular gasoline tax.

I mentioned very briefly in passing before that Huron-Bruce is a prime area of tourist activity. We have several areas along the shores of Lake Huron that cater to the seasonal tourists and to the recreational needs of many of the people who live in the Metropolitan Toronto area and in areas like Kitchener and London.

We also have a large number of people who come to our area from the United States of America for a rest and to partake of the sunshine and the good weather of our particular area.

We certainly have many important individuals who own cottages in the Southampton area. Many of the people opposite will know of those particular people. I have to point out to members here in the House that the only way people can get into our part of the province with any degree of regularity is by car or private plane, if one happens to have one.

5:50 p.m.

Mr. McKessock: And the Tories have to be parachuted in.

Mr. Elston: Parachuting is also a method used.

In either case, when travelling in our area, one has to buy fuel. Every time the cost of fuel for operating cars is increased, whether it is gasoline or diesel, we are going to have to pay more to get there.

In fact, I read in the paper recently that several people have chosen to stay away from their cottages because it is now becoming an increasingly more expensive trip to make from this area. It is roughly a three-hour trip from this fair city to the shores of Lake Huron at Southampton. We can now appreciate how much fuel is expended every time that trip is made.

There are some people with larger cars who do not get the good mileage that some of us with smaller cars do. There are other people who like to tow recreational vehicles. When they take that into account, they are deterred from taking advantage of the tourist facilities in our area.

It is upsetting to me, because I know several

motel owners in the area who have had very difficult winters in the past as a result of inclement weather. There was a downturn in visitors to our area because of lack of snow. Our snow load usually builds up in February and March. However, what they always hope for is that the summer will carry them through. In fact, some of our motel and hotel operators practically close down their businesses in the winter, anticipating the summer trade.

As I said earlier, there are reports that people are not travelling to cottage areas now as a result of this tax. I think it is unfortunate that we are depriving those business people of the incomes they have been accustomed to receiving in the summer. When we couple that with the problem those individuals are having with paying high interest costs and financing their businesses, we are not going to have a tourist industry in our area for very long under those circumstances.

That is one of the reasons I wanted to indicate that the gasoline tax in its current form is going to be very detrimental to the people in my area.

We know the tourist trade does not get good returns from people renting accommodations in motels or cottages. There are important spin-offs for people operating other recreational facilities. I am thinking now of the people who operate marinas to service pleasure craft—water craft and land-based recreational vehicles.

When an industry is as important as the tourist industry is to our area, a development like this means there will be a very high level of unemployment. The tourist industry in the riding of Huron-Bruce sets up a vast number of jobs for students in the summer and takes in a fair number of seasonal employees from outside the riding.

If all these benefits to the economy are going to be thrown out the window for want of a few tax dollars, we should probably be looking at some sort of program that would give us the ability to help these unemployed people when the full impact of this gasoline tax is felt.

In my opening address to the Legislature, I outlined some of the characteristics of my riding that I felt were instrumental in making it a sound economic and social area in Ontario. In those remarks, as the members will recall, I set out that we have several very vital industries in our area, among which are foundries and factories that make doors for the building trade. We have other factories that make furniture for the consumer market in other areas.

But I must point out that these industries, located as they are away from areas that provide mass or large-volume transportation at reasonable prices, require the most inexpensive energy sources they can possibly get so that they can keep their competitive advantage over their rivals, who in many cases are located very close to major arteries of rail transport and other means of shipment.

I want to point out that in my home town of Wingham there are two factories producing doors. They largely export out of Ontario to the western province of Alberta, where they have found a very large market. But they have to compete against factories that are now opening up out in Alberta. The only way we can possibly keep competing with those people in Alberta is to make sure that our transportation costs are maintained at a normal level.

As the members will probably also understand, these factories—one makes a steel door product and the other makes a wooden door for homes—are unable to control the price of the raw product—wood in the one case—so they have to rely on every advantage they possibly can muster.

It seems to me that, when the factories I am speaking of have to bring their wood in bulk by rail in the form of cedar from British Columbia to Toronto and then have it transported via rail up to their plant in Wingham, every time we increase the cost of transportation by any means whatsoever—whether it be for the trucks that have to go to the terminal to pick up the raw material, deliver it to the plant, pick up the finished product and then redeliver it to the area where the rail transportation can be found—we are putting that whole factory in danger of losing its competitive advantage.

In a town of 3,000, my town of Wingham, we will throw 70 or 80 people out of employment in one particular plant. When you lose employment for 80 people in a town the size of Wingham you are really taking away a major portion of the earning power of the whole population of that centre.

The spiralling effect of the reduction of income and purchasing power not only has a very great impact on those particular workers but also ends up causing a great deal of difficulty for the merchants and the very people who make their living in that whole town.

That is why it is particularly critical to us in Huron-Bruce that every method of competing with those larger plants in centres where transportation is more plentiful should be kept

intact. That is why I feel moved to express my displeasure with the fact not only that the tax is increasing the cost immediately but also, every time the federal government or the government of Alberta or whoever raises the price, that our

people in those plants will have to make adjustments in budgets that have already been set.
On motion by Mr. Elston, the debate was adjourned.
The House recessed at 6 p.m.

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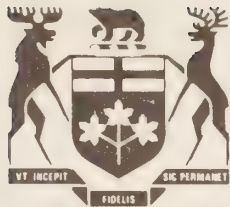
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No. 42

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Tuesday, June 9, 1981
Evening Sitting

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 9, 1981

The House resumed at 8 p.m.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

Mr. Elston: Mr. Speaker, after that long recess, I do not know exactly where I was. Perhaps I should start at the beginning.

To recap, I was expressing my concern for the wellbeing of the constituents of my riding, particularly in the fields of tourism and industry where we suffer from the problem of being away from the main lines of communications in terms of transportation. We have difficulty connecting with rail lines that provide the bulk transit of goods which makes it efficient to market our products. This takes away from those industries the competitive advantage needed to compete with other industries in other provinces.

I was speaking particularly about the door factories that market wood and steel doors for the housing industry in Alberta. I was indicating to the honourable members that, once we remove that competitive advantage, it means a great disservice is being done to the people of my riding with respect to keeping the employment in those industries at peak capacity.

I want to move on to a new area. I am concerned with the impact of the gasoline tax on the municipalities in the riding I come from. In many ways they operate on grants from the provincial government and rely on them to make up the deficit in some areas where they cannot afford the level of taxation to provide the services they require to make the area liveable for their residents.

I note that my riding of Huron-Bruce suffers from one particular problem; that is, we are residents of the snow belt of the province, and we have enormous amounts of precipitation in the winter months. This requires a massive amount of expenditure of time and money to keep the chain of transportation open.

As members may know from visiting our area, we have difficulty keeping Highway 21, the major highway along the lake, passable in the wintertime. We also have the difficulty of

making sure the residents of the townships are able to make their way to the various urbanized centres to do their shopping in the winter.

Because of the increased cost for the gasoline required to fuel the vehicles which keep those roads open and because there is an increased cost for the diesel fuel used in the graders and the various trucks with snowplough apparatus, the cost to the municipality as a result of this gasoline tax is going to spiral extremely quickly.

When it comes to budgeting for those expenditures in the winter months in our area, a certain amount of leeway is required so they do not underestimate the costs of dealing with the snow problem. We cannot always predict what amount of precipitation will fall in our area. Some winters we suffer extreme amounts of snowfall. In others, we suffer from less than the usual amount.

In any case, we end up having to spend enormous amounts for standby and for the days when we have those ploughs on the road to keep our area open for public transportation.

I am sure that the member for Cochrane North (Mr. Piché) will be quite familiar with the difficulties of keeping the lines of communication open in those areas where the snow—

Mr. Foulds: Both verbal and otherwise.

Mr. Elston: Oh, obviously. However, the ad valorem tax means a difficulty will arise for those municipalities that are already strapped to predict the amount of money they will need to spend to keep those lines of communication open for transportation, because they can no longer predict exactly when the increases in the tax will actually occur as well.

It seems to me that, in terms of making it easier for those municipalities to predict their expenses and to deal with the problem of municipal funding, rather than having the ad valorem tax with which we are now provided, we should have a certain tax installed in each section so we can allow our municipal officials to deal with the problem and predict what taxes they will need to raise.

It seems to me that the municipalities of this province are saddled enough with having to raise the excess funds that are no longer forthcoming from the province.

I have noted with some concern in the estimates of the Solicitor General (Mr. McMurtry), two or three times in relation to policing, the difficulties that nonregional municipalities are having vis-a-vis regional municipalities when it comes to the funding position in the policing end of their mandate. With this type of tax, we are again saddling those nonregional municipalities with an extra difficulty they no longer require.

When we couple that difficulty in predicting the budget requirements for a municipality with the problem of increased taxes required for education, for the licensing of vehicles and for the paying of Ontario health insurance plan charges by municipalities that fund, at least in part, their employees' OHIP costs, it seems to me we are putting those particular municipalities at another disadvantage that is going to throw them into a grave difficulty when it comes to meeting their requirements.

If I may be permitted an observation, it seems to me that those particular types of policies are going to cause the municipalities more than just a passing difficulty. The province, in providing the funds for the municipalities, has been cutting back in every area in which it has a mandate to provide services.

When they throw that burden on to the municipalities, they are going to cause forever a rift between the people who elect the municipal officials and the officials themselves. I say that because one of the bright spots of this province has always been that the local municipal officials have always been very close to those people they represent. They have always been able to make decisions that are designed to meet the needs of the people in their various areas.

I can see, because of this tax and because of other matters I have raised, that they are going to be left in a situation where they must guess exactly what they must provide for their various residents.

I find that a very incredible sort of circumstance in which to place our local municipal officials, especially in an area that has been built largely upon the basis of government by representation for the people.

I find that takes away very many of the initiatives which the local government has always had in Ontario to meet the needs of their local people, because no longer do we have those definite types of requirements for which our municipal governments can plan.

Mr. McLean: Sure we have. We have lots of them.

The Deputy Speaker: I remind honourable members that we are listening to a very interesting aspect of this debate, and I would like you to keep your personal conversations to a minimum.

8:10 p.m.

Mr. Elston: Thank you, Mr. Speaker. It seems to me that the municipalities are being placed at a very great disadvantage in relation to the many problems that have surfaced as a result of the bills being placed before the House, but in particular with respect to the gasoline tax bill.

If I may now pass on to another particular matter, I wish to deal with agriculture. In the area of Huron county, of which I have half in my riding, and Bruce county, of which I likewise have about half in my riding, agriculture is one of the major industries, and the gasoline tax is going to cause difficulties for farmers as well.

The agricultural industry, like any other manufacturing industry, is reliant upon trucks and automobiles as the mode of transportation for many farm products. They are required to carry out the mandate of production of food for Ontario, indeed for Canada and, even further than that, as an export commodity for the various markets of the world.

Even though there may be situations where the gas tax may have less impact on individual farmers, I find in dealing with farmers buying goods to use in their production schemes that they will sell as much as, or more than, any other industry in Ontario.

It seems to me that adding increased transportation costs like this to the farming industry will end up adding to the cost the farmers must bear. The farmers are unable to pass on this cost to their consumers in any way, in the light of the fact that their markets are not always as predictable and manageable as some members would like them to be.

If I might give an example of what I am saying, I would like to point out the situation where a farmer requires a part for his agricultural machinery. He may have to send as far away as Iowa or Illinois, or maybe, if he is lucky, he can get it from Brantford, where there has been some assistance. In any event, he must pay the charges of importing that commodity into my riding.

He pays the cost of getting it up there, and on top of that he pays the cost of having it installed. What really ends up happening is that he has an increased cost that he is not able to meet because of other high input costs.

Mr. McLean: He could install it himself.

Mr. Elston: He could install it himself, but the problem is that, whether he installs it himself or not, he is also going to have to pay the cost of having it brought from whatever market agency he buys it all the way to his particular area.

Adding that cost to the problem of high input costs that he already suffers, and many other aspects, that man is actually being condemned to a situation of bankruptcy, from which he cannot escape, unless there is some clearing up of the market situation.

The Deputy Speaker: Are you talking about the bill?

Mr. Pollock: Did you ever farm?

Mr. Elston: I have farmed, yes. And I have been talking about the bill.

It seems to me, no matter which way we cut it, the agricultural industry of this province, along with the agricultural industry right across Canada, has always had difficulties in dealing with high transportation costs.

What I am indicating is that the government, by adding this ad valorem tax, is compounding the problem of transportation costs, which the farmers of this province, particularly at this time, cannot afford to meet.

The government is adding to the spiral of those costs at a time when we are least able to have our people bear those costs. That flies in the face of what our Minister of Agriculture and Food (Mr. Henderson) says about his great concern for the farmer. If he were really being faithful to the farmers, he would protest the imposition of this ad valorem tax on gasoline and diesel fuels to such an extent that it is going to cause difficulties.

Mr. McLean: About 95 per cent of the fuel the farmer uses is diesel.

Mr. Elston: The member mentions the high amount of diesel fuel required by the farm industry. If he will check the bill, he will see the tax is put on diesel fuel as well.

The Deputy Speaker: I remind the honourable member that this is not question period. Continue with the debate.

Mr. Elston: Mr. Speaker, I apologize for getting off the track a slight bit, but there apparently are misconceptions held by members on the other side.

It seems to me when they speak of the high cost of diesel fuel as it relates to the farm industry they must realize a great number of the trucks are fuelled by diesel energy. The farmers will have to bear the cost of increased tax on diesel fuels just as well as everyone else in the province.

It seems to me we have a duty to point this out not only to members on this side of the House but also to those who are unable to speak up on the other side of the House as well. That is the only reason I digressed momentarily to speak to that point.

In case the members across the way do not believe the point I raised earlier about the increased costs of the ad valorem tax in relation to municipal expenses, I have a few numbers that may be meaningful. I will not bore them. I earlier thanked the leader of the third party for providing us with a great number of statistics on this matter.

But in reading a number of the comments from various municipalities, I noted that Hamilton indicated its costs were going to rise by a predicted 22.7 per cent. This was from an article I read in the Hamilton paper. As I understand it, it is based on an average year rather than any particularly difficult one that is not generally anticipated.

What that means for Hamilton alone is an increased cost of \$22,500 estimated by the officials of that fair city. It seems to me if there is that type of cost in an area where snow is generally not a problem, the difficulties can be compounded in municipalities such as those in my riding where we reside in what is called the snow belt of the province.

Mr. Watson: You're snowed under most of the time.

Mr. Elston: It seems to me some honourable members have never had the opportunity of visiting our fair riding. They mention it being snowed under most of the time.

Mr. Kerr: You're always snowed in. We can't get there. You're really in the boondocks.

The Deputy Speaker: Wait a minute. Keep to the principle of the bill.

Mr. Elston: I am, Mr. Speaker. I am asking that each one of these honourable members visit our riding. But the ad valorem tax is going to make our part of the province almost inaccessible for the ordinary citizen, and without the increase in pay that has been anticipated travel there will be almost impossible for these honourable members. They will never be able to sample the fine recreational facilities we have.

I know at least one member opposite who in years past has been able to afford the luxury of visiting our fair riding. He has enjoyed that area. I invite him back, and any others if they can afford to pay that extra gasoline cost. There is no difficulty; we will provide the facilities.

8:20 p.m.

That reminds me, we have a fine ceremony planned for Thursday evening when my predecessor as member for Huron-Bruce, Mr. Gaunt, is being honoured. I regret many members of this House will be unable to attend. One reason might be that there is some pressure of business, but I suggest the other reason may be fear of the increased cost of travelling from Toronto to the community of Teeswater. I regret that. I just mention to the members that we will be travelling there to pay our good wishes to that honourable member.

Hon. Mr. Ashe: What a lame excuse.

Mr. Kerr: When is the tax going to take effect?

Mr. Elston: It seems to me that, no matter how one experiences this particular bill, there are many residents of this fair province who do not appreciate the ad valorem tax that is being added. The reason is that any time the price is increased by any outside force, whether it be the federal government, the government of Alberta or whatever, the tax itself will provide increased revenues and will charge the citizens of this province increased moneys to absorb the luxury of driving anywhere in this province.

If the government had provided us with some idea as to how those funds were to be designated, perhaps the people of Ontario would have borne the burden they are being asked to bear with a more determined and grateful attitude. I cannot believe the people feel happy about having to pay an increased tax that is going to fall into a general revenue fund to be earmarked for goodness only knows what.

The fact remains that the funds from this program, if they were to be earmarked for conservation, might well strike a sympathetic string in the hearts of many of the people of Ontario. They might be very happy if they saw some type of program being initiated from the funds that are being picked up by this tax.

However, there is no indication that is going to happen. If we look at the budget, we will see the Treasurer (Mr. F. S. Miller) felt he had to increase the taxes on gasoline as well as on diesel fuel, railway diesel fuel, aviation fuel, cigarettes, et cetera, because there was a diminished responsiveness of the revenue system.

I can only think that really means he felt the past costs that had been passed on to the various consumers of Ontario met with a conservation movement and caused a slowdown in the con-

sumption of the various products that would provide the government with various amounts of revenue to offset its spiralling—

The Deputy Speaker: This ties in with the bill, does it?

Mr. Elston: It does, Mr. Speaker. I am just providing you with some rationale from the budget. I actually paraphrased from page 20 of the budget itself. Under the heading "Revenues From Fuel, Tobacco and Beverage Alcohol," it says: "I spoke earlier about my general concern with the diminished responsiveness of the revenue system. Consequently, I am proposing that the tax rates on gasoline, diesel fuel, railway diesel fuel, aviation fuel, on cigarettes," et cetera, will be raised. That has everything to do with what is happening.

I am saying that perhaps part of the reason this increased tax on gasoline occurred was that the people of Ontario responded to the increased costs from the federal and Alberta governments by conserving their transportation and by not consuming as many gasoline products.

If the increased taxes being taken from gasoline, diesel fuel, et cetera, were to be clearly earmarked for a conservation program, the people of this province would probably end up giving a sympathetic ear to the government of this province. That has not happened and it is too bad.

If they felt they were adding to the capabilities of this province to supply cheaper energy by having the government determine for the people of Ontario that revenues from the increased tax were being levied to purchase a new source of fuel or to provide an open channel by which people could obtain cheaper fuel, then I think they would bear this burden more graciously.

If that were the case, I could bear this type of bill more graciously myself, and it would give me some reason to rationalize this to the people of my riding.

However, we are not provided with any particular reason for levying this tax. There is no particular conservation program provided. There is no program set up whereby we are providing a better substitute for energy. We have no rationale other than the fact that the government is trying to keep its deficit down.

The net result of the whole budget, of which this gasoline bill is just one portion, is that the gross amount of the provincial deficit is going to increase. I find that unfortunate. It is going to increase by \$997 million as predicted. Unfortunately, the government is harnessing a great

portion of this year's deficit reduction on those individuals who are probably least able to afford it.

The Deputy Speaker: Excuse me, Mr. Elston.

Mr. Laughren and Mr. Watson, you are carrying on a continual conversation. Mr. Elston is trying to make a couple of points on this bill that have not yet been made.

Mr. Laughren: It is the fault of the member for Chatham-Kent (Mr. Watson).

The Deputy Speaker: Carry on with the debate.

Mr. Elston: Thank you very much, Mr. Speaker.

I promise to be brief, but there are several things that I must point out to these various members who are not able to speak for themselves. I find that very difficult. In this province, we have a long tradition of being able to speak in this House for those people who are not able to come here in person and speak on their own behalf. I find the mandate extends not only from my riding but also from those ridings where the members are unable to get up. I will not point out those particular ridings at this time.

I want to point out one of the reasons I am so adamant. Perhaps some of the members feel I am feigning the protest I am launching against this bill. But that is not the case at all. These are real concerns that will determine the economic wellbeing of the riding of Huron-Bruce. In the areas of industry, manufacturing, agriculture and tourism, this bill will cause a very difficult stress to be placed on individuals who are already experiencing difficulties with high interest costs.

I want to bring to the attention of the members of this House one of the main concerns I have about this bill, which I just touched on briefly, and that is the fact that we had been led to believe there would not be any tax increases. It was suggested in our riding that there had not been any tax increases in the last year, that things would continue as they were and that there would not be any more tax increases to come.

Hon. Mr. Ashe: I never said that. Speak the truth.

Mr. Elston: That was inferred from various statements. Was the minister in our riding during the election? He was not.

As soon as the realities present themselves to us, we are saddled with what has been called a very bad budget.

I quote from an article printed not long ago in

one of the local papers dealing with a statement made by one of the members of the governing party when he predicted at the time the budget was to be brought down that a difficult budget would be presented.

8:30 p.m.

Now that the realities have presented themselves, I find that we have been presented with this new budget and a new gasoline tax, which is bad for my riding and bad, I believe, for various segments of the industry of our province.

I also find that the posture that has been placed before us by this bill does not compare favourably with that of the government in 1979 and 1980. I regret that, because the people by and large had come to expect better things.

I also want to point out that, when 1979 rolled around and the Premier (Mr. Davis) and others presented themselves as champions of the consumers who were trying to keep the cost of gasoline in particular below those levels that were being suggested by others in the vast country of Canada, including the federal government and the government of Alberta, they led the charge to keep those prices low.

As the members will probably recall, the leader of the third party pointed out the various statistics and quoted several times from the Premier's speeches his support for keeping the prices low. That was, of course, when there was a minority government. After the situation had cleared itself and we got a majority government, we ended up with ad valorem taxes just like those in most of the other provinces in Canada; we added fuel to the fires of inflation, and we are causing ourselves great discomfort.

I regret that, and it is because of those things that I find myself rising here tonight. In fact, I asked that my party give me this opportunity to speak not only on behalf of the residents of my constituency but also in relation to the various industries that find themselves hard pressed by the increased costs that have come out of this particular matter. Mr. Speaker—

Hon. Mr. Ashe: Let's be realistic.

Mr. Martel: If it is so good, would you like to call an election on it now?

The Acting Speaker (Mr. Cousens): Order.

Mr. Elston: I thank the honourable members for their attentiveness, Mr. Speaker. I know some of those members who are unable to speak publicly here in the House will probably concur very widely with those comments that relate to the industry of agriculture in terms of increased costs.

I only regret that we are dealing with an ad valorem tax and that the government is now putting itself in a position where it will not have to come back to the people of Ontario when it wishes to increase the tax revenue. I believe the people of this province would be much better served if the government came back to them when it wished to increase the revenue instead of sneaking the increases in with those increases that are foisted on the people of this province by forces outside the province that we can no longer control.

I think the provincial government has a mandate to ensure that the people of this province are well served by the various policies. I regret that this particular policy, in my opinion, does not serve the people of this province well; in fact, it reflects very hard times to come for the various industries in my riding.

I urge all members not to support this ad valorem tax. Again, Mr. Speaker, I thank you for your indulgence and your support.

Mr. Grande: Mr. Speaker, I want to put on the record some of the comments I have been hearing around the riding of Oakwood regarding this innocuous bill that is before us tonight.

I want to say to the member for Chatham-Kent (Mr. Watson) that at least the previous member for that riding had flair. He is just there.

Mr. Watson: At least I am here. That's more than I can say for you most of the time.

Mr. Grande: Even though we were certainly in disagreement with the former member for Chatham-Kent, none the less I think he at least provided some theatrics in this House, if nothing else. But the honourable member who is sitting there has become petrified like the rest of those people in the back benches.

This particular bill affects the people he represents as well, and to think that he can sit back there day in and day out, without saying a word in terms of how—

Hon. Mr. Ashe: There are so many words over there that we just don't have time. Say something different instead of just putting in time.

Mr. Foulds: Get up and participate in the budget debate. You don't have the guts.

Mr. Martel: You don't want to be on the record as supporting it. It's great stuff.

The Acting Speaker: Order. Carry on, Mr. Grande.

Mr. Grande: Thank you, Mr. Speaker, I appreciate it. I do not know how the member

can sit there without saying a word in terms of how this bill is going to affect the people he supposedly is here to represent. I thought this Legislature was the apex, if you like, of freedom in our society. I thought we were all free to get up and speak and to make the needs of our constituents known in this Legislature because, after all, that is what good representation ought to be all about.

I see those new back-benchers, those people in the back seats there, just sitting in here putting in time. The member for Chatham-Kent has put in a lot more time than those back-benchers, I grant him that, but the fact is, as I say, this affects the people in his riding as well.

Either he gets up and speaks in support of this bill—nobody is saying that he should not support it, if he feels—

Hon. Mr. Ashe: I will, if I ever get enough time.

Mr. Grande: I understand that the member will. He has no option himself except to support it, as a matter of fact.

Hon. Mr. Ashe: No. I am going to set the record straight about some of the stuff that has been coming up.

The Acting Speaker: Carry on, Mr. Grande.

Mr. Grande: But I am talking about those newly elected members. They certainly have their fun in getting up, one at a time—

Mr. Kennedy: Fine bunch.

Mr. Martel: How do we know if they never speak?

Mr. Grande: Let me speak, guys.

They certainly got up, one at a time, to speak on the throne speech.

Mr. Watson: Great speech.

Mr. Grande: The fact is that I congratulate them for getting up and speaking on the throne speech. Everybody in this Legislature should be heard if they have anything to say; that is true. In essence, it means he has nothing to say.

Hon. Mr. Ashe: You are like a pair of clowns. You go back and forth saying the same things over and over. You don't have anything different to say.

Mr. Wildman: Wait a minute. Did you call us clowns?

The Acting Speaker: Order, please. Mr. Grande, will you please talk to the bill?

Mr. Grande: I am, Mr. Speaker. I am.

8:40 p.m.

Last night, as the member for Lake Nipigon (Mr. Stokes) was talking in this Legislature, the member for Cochrane North (Mr. Piché) said: "I agree with everything you are saying. I think the people in my riding"—the inference was—"are being taken by this legislation."

But what happens tonight? The Minister of Revenue (Mr. Ashe) happened to be in the Legislature last night, and the member for Cochrane North is not here tonight. Are the people in the Legislature now the ones the government can count on not to get up as the member for Cochrane North did last night, to say they disagree with what the member for Lake Nipigon was talking about? As other people have done, I invite those back-benchers to get up in the Legislature and speak.

Interjections.

The Acting Speaker: Order. Mr. Grande has the floor.

Mr. Grande: Mr. Speaker, if you want to call me by my name, that is fine; however, I would appreciate it immensely if you would please pronounce it properly.

The terrible thing about this bill before us is that it is an intelligent bill; the contents of this bill are cunning, astute, and devious. Rumour has it that the Treasurer (Mr. F. S. Miller) instructed his mandarins prior to the election to prepare three budgets: one in case of a minority government, one in case of a majority government and one in case the government was defeated.

In the budget of last year—I am sure you have read it very carefully, Mr. Speaker—the Treasurer said in the Legislature: "The citizens of Ontario are hard-working people. The support they give every day to developing the economy of their province is reflected in both our quality of life and our sound financial position. With controlled and modest growth and spending on the development of essential services, this government will ensure that maximum resources are left in the economy and that we do not contribute to inflation. Stability in our major tax rates is an essential part of the government's fiscal strategy. The dividend flowing from the sound fiscal management of the government of William G. Davis is that I can announce there will be no tax increases in 1980-81."

That was the election budget of that government. In essence, it said that no tax increases were needed in April 1980 for the fiscal year 1980-81. Then they come to the Legislature shortly after election day, March 19, when they

got their coveted majority, and they heaped taxes upon taxes, \$603 million worth. One would think a government should have known of \$603 million worth of taxes 12 months prior to that.

If that is the kind of planning they do in this government, they might as well pack up shop. If this is the kind of planning, they have no sense of what is going on in this province. This bill represents nothing less than what has already been branded many times as a sock-it-to-them bill. I did say this bill is intelligent. I did say it is shrewd and vicious. As a matter of fact, it borders on perversion.

Hon. Mr. Sterling: Borders on what?

Mr. Grande: Perversion, my friend. Perversion.

Interjections.

The Acting Speaker: Order.

Mr. Grande: In essence, this bill is nothing other than the government of Ontario attempting to confuse people in this province. That is very true; it confuses people in this province. We have been talking about energy, energy supply, energy shortages and price increases for the last five years—since 1975, as a matter of fact; it was even earlier than that, but at least I was not in this place before then.

What it says in essence is that the people out there in Ontario will be confused—which of course I do not believe—and they will say: "Price increases? Gasoline increases? It must be the federal government that is doing it." Others will say: "Price increases? It must be that bad Premier Lougheed; after all, he wants more and more money. Or it could be the oil cartel, the Organization of Petroleum Exporting Countries; that group is increasing the price of world crude, therefore it is the culprit. Or the federal government is the culprit; or Peter Lougheed is the culprit."

What happens is that the Ontario Tories will try to sneak in to benefit from that confusion. It is political strategy and many of them believe, falsely, that it will work.

Another point raised in the debate is that this particular bill is inflationary, that the government stands to profit from this bill through inflation. I do not think that is the essential point. Sure, the government intends to profit from inflation, but then which corporations in this province do not profit from inflation? The Conservatives will run the government like a corporation, therefore they are profiting from inflation.

8:50 p.m.

The sad part about this bill is not that the government profits from inflation but that the government has given up the fight to curb inflation. That is exactly what this bill means. In essence, they are saying: "We cannot beat inflation. There is nothing we can do to beat inflation. There is no creativity left in us to beat inflation, therefore we are going to give up."

They have abandoned that oft-repeated phrase from the Treasurer's budget, that the number one problem is inflation and we have to lick it one way or the other. In essence, they are saying inflation is here to stay and this government is incapable of doing anything about it. That is a tragedy, because when a government is not willing to fight a problem they themselves see, the economy is going to deteriorate.

Back in 1979—the Premier should remember—we had a document called *Oil Pricing and Security: A Policy Framework for Canada*. This is a document the Premier went cap in hand with to Ottawa. He waved this and said, "This is the way we are going to have energy self-sufficiency in Canada." But the federal Tories—or should we call them the failed Tories?—just said: "There is no way. We cannot agree with you," because the federal Tories wanted desperately to agree with Peter Lougheed.

That, in essence, was the biggest ideological battle being fought in this country: Tories in Ontario fighting failed Tories in Ottawa fighting blue Tories in Alberta; that is the ideological battle that took place back in 1979.

Hon. Miss Stephenson: There is no such thing as a failed Tory.

Mr. Grande: Joe Clark would not agree with you.

Interjections.

The Acting Speaker: Carry on, Mr. Grande.

Mr. Grande: I want to quote something from this document. Let us not lose sight of the fact that this document was nothing less than the Premier's political strategy in this province. It was good political strategy, because it paid off. He wanted desperately to be seen as the knight in shining armour protecting the consumers and the unemployed. This document, as far as he was concerned, was going to do battle for him with Peter Lougheed and the federal government.

What this bill before us represents tonight is the failure of the Premier. That is exactly what it is. He failed to make his point with Peter Lougheed. Of course, nobody expected him to

win against Peter Lougheed, who is a powerful man. Therefore, since he is a powerful man, one does not treat Peter Lougheed unkindly.

The problem is that the Premier failed to get his point across with the federal government of the day. Who listened to the Premier? Another politician who wanted desperately to show the federal Tories that the price of oil really does not have to increase as fast the Tories wanted it to increase. It was the beginning of a fantastic, mutually satisfying relationship between the Premier and Pierre Trudeau.

Pierre Trudeau accepted the blended price increase in here. But Pierre Trudeau had his own grand political strategy. He wanted to get back as the Prime Minister of Canada and the Premier was going to help him. That is exactly what happened. It is not so long ago in history that those back-benchers do not know what I am talking about.

What the Premier said in this document was that "unless an effective mechanism is found to respond to substantial shifts in regional income distribution without generating widespread demands for compensating increases in all incomes, then both more inflation and higher unemployment will result."

In other words, he was saying: "Hey, don't increase the price too high. Ontario is going to be suffering. There are going to be more people unemployed, and the consumers are going to be paying a lot more money." As a matter of fact, the estimate was that the average oil price increase would be in the range of \$7 per barrel of crude. The federal government would get \$1.3 billion, the producing provinces would get \$3.08 billion and the petroleum industry would get \$2.13 billion.

The Premier made his proposals. In essence, just to simplify it, he said: "What we need to do is to have a kitty. The whole of the country should have a kitty. In that kitty we should put the federal tax money from the oil, we should put in the money from Alberta and Saskatchewan and we should put in money from the oil companies. Because," he said, "unless the oil companies use the money to explore for new resources and new oil and new gas, they don't need that money. So," he said, "don't let the oil companies grab the money and don't let Alberta and Saskatchewan have the money."

In essence he said, "Ontario wants a piece of the pie." The federal government disagreed with him, and this bill represents that piece of the pie the Premier could not get from the federal government; so he is going to get it from the Ontario consumers.

As I said, this bill is devious for many reasons. The funny thing is that Pierre Trudeau took our Don Quixote in this province, our own Premier, for a ride, but now the Premier is taking the people of this province for a ride. I do not believe for one minute that the people of this province are going to forget the fact that the Premier is taking them for a ride or the fact that this bill represents a failure of the Premier and of the government to deliver in Ontario.

9 p.m.

No one in this House would have disagreed if the Premier had come in with a bill that said exactly the same thing as in 1979, "Don't let the oil companies grab the money"; or if he had brought in a bill to tax the money the oil companies would grab. However, that is not the case, because when the Premier spoke in 1979 his speech was purely and simply political strategy of the highest calibre. I congratulate him on that, but it was political strategy, not economic strategy.

When the back-benchers on the other side of the House talk about economic strategy, they have something to learn. The member for Algoma (Mr. Wildman) and the member for Nickel Belt (Mr. Laughren) could teach them some things if they would just listen for a while.

However, the government decided it was not the oil companies that should pay the prices because, after all, \$12 billion in ripoffs by the oil companies was not enough. They should have more money in their pockets. Do not take any money from the poor oil companies. Do not take any money from those people who plead poverty all the time.

It is incredible how the government functions. What it said, in essence, was: "Hit the consumers, hit them hard; not once, by imposing a tax for one year, but four times a year." That takes ingenuity. It takes understanding and knowledge of how rich the Ontario consumers are.

After all, the government feels the consumers have a lot of money stacked up in their pockets and it has to take this money away from them. It knows how to deal with the consumers. It knows how to thank them. Now that the government has its coveted majority, I guess nothing can touch it. It is untouchable. It will do exactly as it pleases, when it pleases, and let the people pay.

I want to end these few minutes I have been on my feet by reading a letter, dated April 1 and signed by the Premier. On top it says "Confidential," and goes on:

"Dear Friends:

"I want to express my thanks for your vote of confidence on March 19. Personally I was elated because the world unfolded according to our plans. I want to share with you some good news. Frank, on May 19, will bring down the budget and, of course, in it you will find how the government will raise the \$603 million it needs to stay in business this year. I will let you into a secret; however, please put this letter through your shredder once you have read it. I am sorry we could not figure out how we could do more for you. I hope next year will be better.

"Corporately yours, Bill Davis."

Mr. Conway: Mr. Speaker, that is a very interesting place to begin.

I rise to speak against and vote against this particular budget item, which has been characterized often and properly by members on this side of the aisle as an iniquitous and shameless revenue grab, a main plank in a budget that, in my view, was rightly characterized in the Kingston Whig-Standard of May 20 as "an appallingly useless budget for Ontario."

Other members have drawn to our attention those aspects of the May 19 budget speech of the Treasurer (Mr. F. S. Miller) that concern themselves most directly with this tax action. I want to dwell briefly on some of the remarks of the Treasurer in that particular portion of the budget speech. I found it interesting and somewhat contradictory that late in that speech he says, and I quote from page 17:

"As I mentioned before, the province's revenue needs are not being adequately met by our current tax structure. The inadequacy of revenues reflects to a considerable degree the many tax reductions implemented in recent years."

On page 20 he goes on to complain at greater length about his "general concern with the diminished responsiveness of the revenue system"—a clear signal to all who listened to and later read this document.

I found those remarks rather contradictory in the light of the self-congratulation that forms the bottom of page three and the top of page four, in which the Treasurer says:

"The members will recall that on November 13, 1980, I introduced a \$260-million package of supplementary actions to stimulate the Ontario economy.

"Foremost in the program were temporary retail sales tax cuts designed to impact selectively in specific sectors where economic performance was weak. The exemptions on purchases of major household appliances, new residential furniture and selected building mate-

rials, and a rebate of sales tax on purchases of new light trucks and vans, were all designed to boost sales and production in these important areas of our economy."

In one particular part of the budget statement we have the Treasurer complaining about the lack of responsiveness of the provincial revenues structure to current obligations. Some 15 pages earlier we have this same man bragging that during the course of a provincial by-election he undertook to reduce his revenues by approximately \$250 million.

9:10 p.m.

It seems to me that we have here a contradiction between the Treasurer's actions of last November and this May and, indeed, his words at page three and his statements at pages 17 and 20.

Mr. Piché: Is this going to be long?

Mr. Conway: The gentleman who is the member for Cochrane North in all his expansive good humour had, it seems to me, ample opportunity to stand on his feet in his place and tell us with a greater degree of enthusiasm than has yet been his due exactly where he stands, positively or negatively, with respect to this budget. I await, like other honourable members, his intervention in this debate.

Mr. Roy: They are all gutless over there. Nobody stood up—not one of them.

Mr. Treleaven: He was on his feet before the NDP member even sat down.

The Acting Speaker: Order.

Mr. Conway: I know as surely as I stand in my place here tonight in denouncing this particular measure that the people of Salford, Mount Elgin, Tillsonburg and Ingersoll agree with that assessment. They know how shameless and iniquitous a revenue grab this tax action is, and I certainly speak on their behalf as well as my own in pointing out this reality.

Much has been said about the reaction of the public at large as expressed in letters to members of the assembly about this action. Much has been said about the various impacts of this particular action on selected sectors of the Ontario community. I want tonight to share a selected sampling of the public press with respect to this budget item.

To begin with, and I know that distinguished ambassador of the fourth estate, the member for Cochrane North, will wish to listen to his colleagues in the publishers' den with respect to this budgetary item which occupies our time and our attention tonight.

My friend from Pickering is somewhat uncomfortable, it seems, with the march of parliamentary activity in this respect. Some of us recall articles in the public press some 15 or 18 months ago about how restless it was languishing on the government back benches in anticipation of the day when the member for Durham West (Mr. Ashe) would descend upon the Treasury bench. He is now there, and I am sure he will want to enjoy the full flavour of the parliamentary process and take it at full sail.

To return to my text, I know that my friend the member for Nickel Belt (Mr. Laughren) will want me quietly and dispassionately to review with you, Mr. Speaker, with him and with all honourable members, the editorial statements published in the national newspaper, the *Globe and Mail*, on Thursday, May 21, 1981, a portion of which editorial I will introduce into the record at this time.

The editorial bears the headline "Taxman at the Pumps," and it begins: "The Ontario budget totally undermines Premier William Davis's long-proclaimed campaign against rising prices for domestic oil. It puts Mr. Davis on the side of rising prices." It puts him and all his works and all his men on the side of rising prices. "Every time the price rises, for whatever reason"—perhaps even for the contemplated purchase by this government or another of a Texaco-like oil company—"his government will collect increased revenues."

The member, as a very careful reader of the public press, will know we were told just the other day that, as a result of the second stage in Mr. Loughheed's cutbacks of domestic production and by virtue of this iniquitous and shameless revenue grab, this government will profiteer to the extent—if my memory serves me correctly—of approximately an extra \$13.4 million.

"Treasurer Frank Miller accomplished this by switching from a flat-rate tax on gasoline and diesel oil to a tax of 20 per cent of the retail price on gasoline and 27 per cent of the retail price on diesel fuel."

I regret the departure from this chamber of the new member for Simcoe East (Mr. McLean). While my good friend and colleague the member for Huron-Bruce (Mr. Elston) was addressing the subject, he did not seem even yet to understand or comprehend that this tax action did relate to diesel fuel.

"These taxes will be reviewed every three months and adjusted for increases." On that point—and I noted that provision in the bill—I

have to think the very careful scrutiny of the Minister of Revenue will come to bear upon that provision to maximize its possibility.

The editorial goes on at some greater length to quote favourably, as it ought to have, my friend and colleague the member for London Centre (Mr. Peterson), who talks about the various negative aspects of this tax. In the interest of saving time—

Mr. Boudria: No. Tell us about it, Sean.

Mr. Conway: All right. "Mr. Peterson recognized that he was presenting the best case Ontario consumers could hope for. He allowed only for the already federally approved well-head price increases and federal taxes. There will inevitably be more," says no less an authority than the *Toronto Globe and Mail*, second only to the *Brockville Recorder* in prescience in so far as these matters are concerned.

"Mr. Miller is going to collect a tax on taxes as well as production costs. He was almost certainly modest when he said the new fuel taxes would increase Ontario revenues by only \$135 million this tax year."

I suspect on that point the joy was almost orgasmic when the Treasurer and his staff sat in late evening session around Frost South to calculate just how much money this sly ad valorem tax would net to the Ontario Treasury. Then they came forth smiling and self-deprecatory, saying about \$135 million for this year.

I suspect when we are finished, not only in this year but also in subsequent years, the reality of that action will be significantly more onerous for the already too-burdened consumers in this province.

9:20 p.m.

Mr. Piché: Will this be long, Sean?

Mr. Conway: I thought it was merely a case of dyspepsia that was bothering the member for Cochrane North.

"When Ottawa and Alberta," the editorial opined, "agree to an increase in the wellhead price of crude, all consumers, including Ontario consumers, will pay for it. Ontario consumers will also pay an additional 20 per cent of the increase into Mr. Miller's coffers.

"When the subsidy on foreign oil imports rises, all consumers, including Ontario consumers, will pay for it. Ontario consumers will also pay an additional 20 per cent of the increase into Mr. Miller's coffers.

"When Ottawa buys another foreign oil company for a grossly inflated price"—or should

Claire Hoy be correct and this government succeed a la Adam Beck in purchasing Texaco or some other company—"all consumers, including Ontario consumers, will pay for it. Ontario consumers will also pay an additional 20 per cent of the increase into Mr. Miller's coffers."

You can see, Mr. Speaker, in your reasonable, straightforward, balanced, impartial sort of way, that the Treasurer's coffers are going to be enriched to a very considerable degree by this shameless and iniquitous revenue grab, which was described in the *Kingston Whig-Standard* editorial as part of "an appallingly useless budget for Ontario."

Alberta and Ottawa will get all the blame; Ontario will quietly collect an amount equal to 20 per cent of everything they are blamed for. And "quietly," ever so quietly, is the word for it; or rather, the words are "ad valorem."

"When Mr. Miller in his budget speech said," as the *Globe and Mail* editorialist quotes, "'I am proposing . . . that the new ad valorem tax rate on gasoline be set to incorporate an average increase of about one cent per litre,' how many Ontarians interpreted it to mean that Mr. Miller was imposing a 20 per cent sales tax on gasoline, to be reviewed for increases every three months?"

My colleague and friend the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) will recall, as will my colleague the member for Wellington South (Mr. Worton) and as will the member for York South (Mr. MacDonald) and perhaps a few others, the concern and the great anguish that characterized Les Frost when he came forward—I think it was some time in the summer or early fall of 1961—with the first—

Mr. Worton: September. He predicted \$65 million; now it is \$2 billion.

Mr. Conway: September. I thank my colleague and friend from Guelph, the member for Wellington South, who will tell us later, to be sure, what Les Frost felt so concerned about in so far as the iniquitous aspects of a retail sales tax were concerned, and how, against his better judgement and the better judgement of the barber's chair in Lindsay, he none the less had to introduce that—what was it? Can the member for Wellington South tell me?

Mr. Worton: Three per cent.

Mr. Conway: Three per cent. And it concerned that great man no end. That he left John Robarts to live with the realities of that tax action is not for me to comment upon now.

The Deputy Speaker: Good. Continue speaking to the principle of the bill.

Mr. Conway: But when you think about that tradition, Mr. Speaker, you as a very distinguished student of the arts of my Alma Mater, Queen's University, will know how concerned and how upset that great leader of Progressive Conservatism would be if he could stand in his place today and see a latter-day apostle, dare I say apostate, stand here and, in the name of ad valorem, blithely levy a 20 per cent retail sales tax on gasoline. I am sure that Les and the barber's chair in Lindsay turned a few revolutions when that news was carried to them.

"Bad faith," continues the editorialist, "are other words for it.

"Mr. Davis has given passionate support to Prime Minister Pierre Trudeau's campaign to hold down domestic wellhead prices for crude oil. He found Alberta's Premier Peter Lougheed greedy, though the Lougheed plan would promote Canadian oil supply security. But that was before what Mr. Davis called the 'realities of March 19,' when he recaptured his majority. Now he can go for the money.

"Greedy will no longer be the word: statesmanlike, when any Alberta increase pours money into the Ontario Treasury?"

I thought, sir, that particular editorial spoke rather directly and rather eloquently to what this particular tax action is all about. There is more, to be sure, because there might be some who would feel that the national newspaper, having taken the editorial view that it did during the recent campaign, might not be the most balanced place to look for an assessment of the immediate post-election budget.

Interjection.

Mr. Conway: I hear my good friend the member for Brantford (Mr. Gillies) say something I dare not repeat lest the full weight of parliamentary privilege be brought down upon me. But I noted in my post-budget survey of the provincial press that the member for Brantford said, "Well, it could have been worse." That is the best the honourable member, bright and ambitious and upwardly mobile as he surely is, could offer in defence of the budget: "It could have been worse."

But returning, as I was, to an assessment of the other press, there is I think an argument to be made for looking at the Toronto Star because, as honourable members opposite will know—and if they do not, the Minister of Education (Miss Stephenson) might tell them—that in the cam-

paign just ended the Toronto Star, breaking with its tradition, supported the Progressive Conservative alternative in the government.

Hon. Mr. Ashe: When they looked at your side, they felt they didn't have a choice.

Mr. Roy: They are regretting that decision now.

Mr. Conway: Mr. Speaker, I know that you and my friend the member for Ottawa East (Mr. Roy) will want me to review quickly the post-budget assessment in the Toronto Star, supporter as it was of my friends the member for Armourdale (Mr. McCaffrey), the member for Sault Ste. Marie (Mr. Ramsay) and the member for Carleton East (Mr. MacQuarrie) in the recent contest.

The headline in that pro-government journal, in a phrase that recalls a famous day, was: "Budget: All Pain, No Gain." In my search for an editorial assessment of the budget, and this ad valorem measure in particular, I find this paper has some extremely interesting observations, some of which, in their essence, I would like to share with my indulgent friend the member for Durham West.

9:30 p.m.

Mr. Boudria: The member for Carleton East would like to hear about that too.

Mr. Conway: The member for Carleton East sits there quietly and eagerly, and he reminds me in a way of the current Minister of Revenue, because I was once privileged to see his performance on the local CTV affiliate on March 20. What he had to tell me and the thousands of others watching about his cabinet ambitions would wither your most sensitive ears, Mr. Speaker. It reminded me of the plaintive cries of the member for Durham West some months ago.

This editorial, dated Wednesday, May 20, and headed "Budget: All Pain, No Gain," begins: "What's most distressing about the budget Ontario Treasurer Frank Miller unveiled last night isn't the whopping tax increases. It's that those painful increases are being imposed in the service of no discernible good cause..."

No discernible good cause. I am sure the Minister without Portfolio, the member for Armourdale (Mr. McCaffrey), to whom I will happily return some moments from now, will be reminded by that of an editorial assessment of the same budget in the Financial Post a couple of weeks ago, which said that as far as fiscal policy was concerned a statement by General

Motors of Canada has a greater impact than the provincial budgets of the Premier and the Treasurer.

The Toronto Star editorial agrees with that assessment obviously. It goes on: "... and that they are likely to confer little or no broad economic benefit on the people of this province." It is very difficult to get that out, because it is so unsettling to those of us looking at these pro-government journals and remembering the provincial election to see within a few short weeks an editorialist say "those painful increases are being imposed in the service of no discernible cause" for Kemptville, High Park or anywhere in between and that "they are likely to confer little or no broad economic benefit on the people of this province."

Mr. Boudria: What does it do for Timmins?

Hon. Mr. Pope: More than you will.

Mr. Conway: I caution my friend the member for Prescott-Russell not to exacerbate the tender sensibilities of the new Minister of Natural Resources, who has been almost like the Minister of Education in her earlier incarnation, a veritable Vesuvius of bad temper. One ought not, without total consideration, bring a Mount St. Helens of anguish down upon—

The Deputy Speaker: This has to do with the bill, does it? Try to connect the Minister of Natural Resources with this bill.

Mr. Conway: I was trying in your interests, sir, to restrain the new member, a good and solid member, as my friend the member Prescott-Russell is, from slighting unduly the member for Cochrane South.

The Deputy Speaker: Thank you for looking after my interests. Continue with the debate.

Mr. Conway: Speaking to the very essence of this legislation, this—

Hon. Miss Stephenson: Are you teething or having growing pains?

Hon. Mr. Pope: Get it out of your system, cry-baby.

Hon. Miss Stephenson: One of these days he will grow up, I think.

Mr. Conway: I wondered how long it would take, but it has not taken me too long at all. It is good to have the Minister of Education back.

In this editorial, it says: "Miller's new approach to taxing gasoline sales is an entirely different matter: It's unjustified and highly objectionable." If that does not agitate the Pearsonian bow tie of the new member for Cambridge (Mr.

Barlow), I do not know what will. "It's unjustified and highly objectionable," says no less an oracle than the Toronto Star.

"By moving from a fixed rate to a percentage of the sale price at the pump, the Ontario government will reach deeper into the consumer's wallet every time prices go up. That's inflationary." It seems sensible to me, and I am sure the calm look of agreement on the new superminister, the Provincial Secretary for Resources Development (Mr. Ramsay), indicates an accession as well to that point of view.

"Pushing up the retail cost of gasoline will only compound the cost-of-living pressures already generated by rising energy prices. It's socially cruel."

Sucked into the vortex of the promise of Ontario as it was but weeks earlier, the Toronto Star says the day after the budget, incredibly, that this government, just elected, has dished up a budget that is objectionable, totally unjustifiable and socially cruel. It makes me think the ghost of Joe Atkinson is back in the editor's chair writing with the kind of sensitivity that gave that paper the kind of credibility it has so often enjoyed.

This ad valorem tax "will add to the burden of low- and middle-income earners already hit hard by inexorably rising fuel costs." This budgetary assessment gets worse. Keeping in mind we have already heard this journal pronounce it is all those other things, it also says it is hypocritical. It is not only socially cruel, objectionable and unjustifiable, but it is also hypocritical.

Mr. Roy: That is not us saying that, is it? That is the Star?

Mr. Conway: That is the Star, and I did not trouble myself to get their editorials of support endorsing the ebullient new member for St. George (Ms. Fish) and many others in the recent campaign. But I am really struck by the words of condemnation, the expressions of censure that this editorial reveals. This government is hypocritical, it says. The implication of that must surely be that this is a hypocritical bunch.

That is not I, sir. Not even in my wildest partisan humour would I say such things about the new member for Lincoln (Mr. Andrewes) and the old member for Ottawa South (Mr. Bennett), the new Minister of Natural Resources or whoever. That is their friend the Toronto Star pronouncing upon their works post election.

Mr. Roy: You are darned near embarrassed to quote them.

Mr. Conway: I am. It hurts me to have to point these things out.

"The Davis government has rightly been pressing Ottawa not to allow energy prices to increase any more than absolutely necessary—and now it's raising the cost of gasoline itself, to boost provincial revenues."

Hon. Mr. Timbrell: Is this the same as your last speech? Have they passed the plate yet?

The Deputy Speaker: Carry on with the debate, Mr. Conway.

9:40 p.m.

Mr. Conway: The imperial potentate, the member for Don Mills, inspires me to repeat some of this. If he wishes me to quietly go through the various—

Hon. Mr. Timbrell: I missed the first part.

Mr. Conway: We will see. "As for the whopping hike in income taxes. . ." I will not go on. But those are serious words of condemnation and censure. It is not just a group of carping, nay-saying opposition politicians who are being animated to this kind of criticism but, as I said, no less a journal than one that weeks earlier endorsed this particular promissory note in the campaign and I fear perhaps might do so again.

But let us look at other assessments of the Toronto Star. They have a distinguished economic analyst at the Toronto Star called Mr. David Crane.

Hon. Miss Stephenson: Perhaps this is what we need.

Mr. Conway: It may be so. I will be happy to defer at the high altar of omniscience that is the Minister of Education.

Hon. Miss Stephenson: Thank you very much. That's very flattering. I appreciate that.

Mr. Conway: We Catholics were reared on the concept that only the Pope was infallible but, having arrived here six years ago sitting opposite the member for York Mills, I have to come to qualify that concept of infallibility in at least one other case.

As I said earlier, Mr. Speaker, there are others—

Mr. Newman: One at a time.

Mr. Conway: My friend the member for Windsor-Walkerville (Mr. Newman) enjoins me to take one at a time, and I always like to take one at a time.

Mr. David Crane, commenting on the Ontario budget in the—

Hon. Mr. Timbrell: Were you at the chiropractors' dinner?

Mr. Conway: Proudly, I was not, sir.

Interjections.

Mr. Roy: Who made the phone call, Claude?

Just tell us who made the phone call.

Hon. Mr. Bennett: You did.

The Deputy Speaker: That can be reserved, Mr. Roy, for next question period.

Mr. Roy: Send the Speaker to give out the cheques then. Who made the call?

The Deputy Speaker: Mr. Roy, I have news for you: I am making the call here.

Mr. Conway, please.

Interjection.

Mr. Conway: Thank you very much, Mr. Speaker. If it makes the member for Chatham-Kent (Mr. Watson) feel any better, in the words of the old song, "It's only just begun." He might ask, quite rightly, why I sat quietly in my place a week or so ago when my leader tried to bring this House around to an emergency debate on this subject—

The Deputy Speaker: And you were thinking about speaking to this bill.

Mr. Conway: Exactly. We were told by the government House leader, and in that case I thought he was quite right, that we have this debate to express at length our views on the issue of ad valorem. I am only doing what the government House leader has asked me to do.

Mr. David Crane, writing in the Toronto Star of Wednesday, May 20, says among other things in respect of the budget—

Hon. Mr. Bennett: This is impossible.

Mr. Conway: The Minister of Housing almost incites me to bring out of my desk some famous photographs from the Ottawa Citizen, and not even I would want to remind the minister of that soirée of Jean Piggott, the Premier and the minister about a year ago. It is better for my good friend that I am reciting from this and not reviewing some of his pictorial splendour in our national capital press.

Hon. Mr. Bennett: The Citizen is your favourite newspaper.

Mr. Roy: Who made the phone call? Just tell us.

Mr. Piché: I made the call!

The Deputy Speaker: Order, please. Mr. Conway has a very important point to make on this bill.

Hon. Mr. Ashe: Not likely. Don't give him credit for something that isn't there.

Mr. Roy: The minister is confusing—

The Deputy Speaker: Mr. Roy, please let your colleague continue.

Mr. Conway: The very distinguished economic reporter for the Toronto Star, Mr. David Crane, reporting on Thursday, May 21, says

about this particular tax action:

"The new tax system has another controversial effect as well: It undermines the credibility of Premier William Davis's opposition to rising oil prices." He says it undermines the credibility of the Premier of Ontario in the debate about oil pricing arrangements in this country.

"Davis has always maintained that oil prices should not be allowed to rise too swiftly because of the harmful impact this will have on consumers.

"But as a result of Miller's budget, every oil price increase instigated by Ontario or Alberta will be followed by an additional price increase for Ontario residents resulting from Ontario's own tax.

"It is hard to see how Davis can have credibility the next time he meets Alberta Premier Peter Lougheed to express his concern about rising oil prices."

Mr. Grande: In public or private?

Mr. Conway: Perhaps both. "The more oil prices go up, the more money Ontario now stands to grab"—that is the right word, the appropriate verb—"in taxes as well.

"Under the old system, if the provincial government wanted more money from gasoline, cigarettes, beer and the like, the provincial Treasurer would have to increase taxes in his budget. For example, in Miller's first budget in 1979 he raised the gasoline tax from 4.2 cents to 4.6 cents a litre and the cigarette tax from 22 cents to 24 cents a package.

"Chances are the provincial tax collectors also hope the public will forget that Ontario is a silent partner whenever oil prices rise—and will focus their anger on Alberta and the oil industry instead."

I thought the very distinguished and knowledgeable Mr. David Crane coined a very appropriate phrase for this particular tax action. Remembering where the phrase originated, at least for most of us, I thought the phrase "the silent partner" was an eloquent testament to what this *ad valorem* business is all about. It has made the Ontario government the silent partner in the ever-escalating oil price situation. To repeat, it is nothing more and nothing less than a shameless, iniquitous revenue grab.

Mr. Crane goes on: "The other concern that some economists have is that by making inflation worse through its new tax system"—this *ad valorem* system—"Ontario will also contribute to inflation in other ways as well. By pushing up the cost of trucking and air and rail travel, for

example, Ontario may also force those industries to raise their prices more than they might otherwise do."

9:50 p.m.

I have heard and I have read what concerned Conservatives such as the member for Cochrane North have had to say in days past about the very serious ongoing requirements to keep down those inflationary pressures that seem to be everywhere in those areas, particularly transport, in northern Ontario. I would like to believe that member after member—from Cochrane North to Cochrane South, to Fort William (Mr. Hennessy), to Kenora (Mr. Bernier) and beyond in the north—these honourable men and women, would want to stand in their places and speak with that kind of enthusiasm that was once so central a part of their political action.

Who among us can forget the young and enthusiastic member for Cochrane South, fresh from his victory of four years ago to this very night, coming down here—and what was he not going to do; what was he not going to do about the cost of northern transport?

Mr. Laughren: He is minister without a food terminal.

Mr. Conway: As my friend the member for Nickel Belt has pointed out, we thought for a while he was going to be the minister of a food terminal. He became Minister without Portfolio and minister without a food terminal.

I remember that member when he was the cutting edge of an aggressive new Toryism from the north, followed not too many years after by the very distinguished member for Sault Ste. Marie, who might remember those speeches the member for Cochrane South used to give about Star Transport. I will tell the House that like a couple of the famous speeches of the member for Prince Edward-Lennox (Mr. J.A. Taylor), they were memorable.

I agreed with the member because I, like the member for Cochrane South, know very keenly about the very inflationary pressures that are out there in the marketplace for the people in the north and in the east, people who are trying to do business in spite of these very significant transport cost increases. I agreed with the member for Cochrane South three or four years ago in his earlier, in his happier, in his more straightforward incarnation.

I wonder, privately and quietly, where have all the flowers of that new Tory hope gone? They have gone to the cabinet bench or to some government agency, board or commission, or

some place in between. I have listened over many hours, over six or seven days now, and I have waited for members from the north and members from the Tory caucus in the rural southwest to stand in their places and speak to at least a cautious concern about this kind of tax action, or to stand firmly in their hopeful posture, awaiting the cabinet call, and defend this tax action in all its glory.

So what am I to make of the stunning continued silence that decorates the government bench? Maybe after hours tonight my friend the member for Ottawa East and others can educate me on this monkish, almost Trappist silence across the way.

To be sure, as the very distinguished and the very knowledgeable Mr. David Crane goes on in his analysis of May 21 in the *Toronto Star*—

Hon. Mr. Bennett: I thought you felt it was a terrible paper.

Mr. Conway: I thought the *Toronto Star* was terrible? My good friend the member for Ottawa South knows that I would never say the *Toronto Star* was a terrible, terrible paper. In fact, I believe it is quite the contrary. It has erred in recent days but, apart from the Minister of Education, that kind of ever-present wisdom and unfailing accuracy is not something to which even so distinguished a member of the fourth estate as the *Toronto Star* would lay claim.

To go on: "To be sure, Ontario already benefits from inflation through its retail sales tax. When the price of a car goes up, Ontario collects more tax dollars and adds to the ultimate cost of a car. But the retail sales tax is just seven per cent." Memories of my concern for the good old Tory days of former Premier Leslie Frost. The new—

Hon. Miss Stephenson: You really do suffer from etymological steatorrhea.

Mr. Conway: I am almost tempted to put in the record a marvellous quote that my doctor friends—

The Deputy Speaker: I know, but you won't, because you are speaking to the bill.

Mr. Conway: —gave me about the presidential address, I think to the Ontario Medical Association, of the then president and now Minister of Education, a phrase I believe she used to describe what they were getting from the Ontario government. I should check my records. Some day I will, and maybe I will retroactively reintroduce that beautiful, if some-

what indelicate phrase to describe what happened to the Ontario consumer in so far as this ad valorem tax is concerned.

To continue: "But the retail sales tax is just seven per cent. The new tax rate on gasoline is 20 per cent, on cigarettes 36 per cent, on beer 20 per cent and on cigars 45 per cent."

Interjections.

Mr. Conway: Well, no. I am about to recite John Milton's *Areopagitica* but that might take us a little longer than we would like to be kept.

Interjections.

Mr. Watson: Are you opposed to temperance?

Mr. Conway: Am I opposed to temperance? Listen, I have grown up in the shadow of the member for Renfrew South (Mr. Yakabuski) and I am a very temperate man. It would be difficult to be otherwise—

Interjection.

Mr. Conway: Will the minister please stop provoking me, or I am going to say something unparliamentary and I don't want to do that.

Hon. Mr. Timbrell: Why not? You have been saying everything else.

Interjections.

The Deputy Speaker: Would the Minister of Health refrain slightly and let Mr. "Seen" Conway continue.

Mr. Conway: At least he is not yet calling me obscene and for that I—

Interjections.

The Deputy Speaker: Order, please. Mr. Conway has the floor. Let's continue. It has been a long evening.

Mr. Conway: Thank you, Mr. Speaker.

Mr. Crane says: "Thus the tax increase for these everyday items will be much bigger than it is for everyday items such as cosmetics and candy bars covered by the seven per cent retail sales tax."

I think that is a very important comment on Tory economics, proving to me that the kind of philosophy we remember from iron-heeled former Prime Minister R. B. Bennett rides very well today in this kind of budget, when they are prepared to levy a 20 per cent ad valorem rate on these important essentials such as gasoline and a much lesser rate on other things that for many would be considered less essential.

There is another concern as well. I know the member for Sarnia (Mr. Brandt), serious man as he is, will want to hear this.

Interjections.

The Deputy Speaker: Please avoid the interjections and continue, Mr. Conway. Never mind the interjections. Continue with the bill.

10 p.m.

Mr. Conway: Mr. Crane has another concern as well: "Seeking an inflation dividend for the Treasury on items that directly affect the pocketbooks of students, ordinary workers, and senior citizens is regressive." To that I would add punitive and totally uncalled for. While people with big incomes will not notice the higher taxes, the average citizen of Pembroke, South Ottawa and many other places—that average citizen in Flower Station, in Killaloe, in Carleton Place, in Iroquois Falls, Oxford Mills, Brighton, Port Hope, Rockton, Sterling, Faraday Mines, in a lot of places—Dover township, Moonbeam, Athens, Kilbride, Tillsonburg—

Interjections.

Mr. Speaker: Order. Continue, Mr. Conway.

Mr. Conway: It was marvellous hospitality tonight, Mr. Speaker. I want to thank you for so generous a banquet as we enjoyed; it inspired me.

Interjections.

Mr. Conway: They are provoking me again. They are going to make me observe that I have returned from the banquet table of the Speaker in a somewhat more upright position than my good friend the member for Kingston and the Islands (Mr. Norton). They should not provoke me; I don't want to be provoked.

Mr. Speaker: I can vouch otherwise. Keep going.

Interjections.

Mr. Speaker: Return to the principle of the bill, please.

Mr. Conway: To continue: "While people with big incomes"—and might I parenthetically add, and bigger limousines—"will not notice the higher taxes, the average citizen will have to dig a bit deeper into his pocket to deal with this ad valorem gas tax proposed in Bill 72. If Miller had been concerned about fairness, he could have raised his additional money by closing tax loopholes and basing his new revenue sources on ability to pay. But with oil prices slated to at least double over the next five years, Miller must have found the prospects of soaring tax revenues irresistible."

Stealing something from the vernacular of my friends on the left, Mr. David Crane, the distinguished and knowledgeable analyst for the Toronto Star, concludes this assessment of this

budgetary item with the following: "Move over Sheikh Lougheed; make way for Sheikh Miller. Ontario may not have any oil but it does have the power to tax." Move over, we're coming through, and we're going to sit and we're going to squeeze out of every one of these additional increases our ad valorem rate.

That is Mr. David Crane writing in the Toronto Star of Thursday, May 21, 1981.

There are other periodicals. There are other parts of the public press in this Queen City that have a more traditional, a more close, sometimes a more partisan relationship with this government. It is to that journal, that tabloid that I will now turn my attention and yours, sir, for comments that speak, I think, to some of the issues raised in Bill 72—the gasoline tax, the ad valorem silent partner.

Mr. Treleaven: Oh, the London Free Press?

Mr. Conway: The London Free Press had a headline. I recall it well. "Tax Hurricane Sweeps Out of Queen's Park. Tax Hurricane Sweeps Across the Rural Southwest as the"—

Mr. Treleaven: Anyone can read the headlines.

Mr. Conway: I was invited to comment on the post-budget press in London. That is the headline I read. But reading from the business column of the Toronto Sun on Tuesday, May 26, over the byline of Mr. John Belanger the headline was, "'Save Us' Davis Betrays Us."

Mr. Bradley: No, not the Toronto Sun. I do not believe it.

Mr. Conway: No less a journal than the Toronto Sun saying, "'Save us' Davis betrays us."

Mr. Bradley: It has a nice ring to it.

Mr. Conway: It has a kind of litany-like ring, as the member for Scarborough Centre (Mr. Drea) will surely know.

I am going to quote a few random sentences from this particular item.

Mr. Speaker: Rather than quoting, maybe we should return to the bill.

Mr. Conway: I think this is a very important matter, and I have tried, Mr. Speaker, very carefully, painfully, assiduously, to focus my attention and yours, sir, on the ad valorem tax that is proposed in this budget and carried forward in Bill 72. It says: "As that Sun editorial"—which I am not going to quote—"points out, indexed taxation is the new provincial wrinkle that deserves," says Mr. John Belanger, writing in the Toronto Sun on Tues-

day, May 26, "more attention. It's an inflationary factor, of course, which simply means more inflation has been automatically built into the economy."

10:10 p.m.

Mr. Cunningham: On a point of order, Mr. Speaker: The member for Armourdale (Mr. McCaffrey) is putting money into his pocket. I saw him. I want an audit.

Mr. Conway: This built-in inflation is "from a government that allegedly stands firm against inflation," says the Sun.

Interjections.

Mr. Speaker: Order.

Mr. Conway: There are a lot of people over there who should have 30 pieces of silver ready at hand to contribute.

To continue: "What the government of Ontario said on Tuesday night is that it has just joined the government of Canada in its woeful admission that it has given up the ghost on the most serious concern facing us today. Like another quite famous public servant before him"—

Interjections.

Mr. Cunningham: On a point of order: It started with 65 cents and ended up with 35. I think we should have an audit.

Mr. Conway: When I started this little speech moments ago, I never expected such help, in all respects, from my friends opposite, but they are being very helpful.

Hon. Mr. Timbrell: We have passed the plate. When are you going to give communion?

Mr. Conway: I quote, "Like another quite famous public servant before him, Premier William Davis merely washed his hands of the matter." That analogy is not used at all loosely.

Mr. Roy: What are you quoting from?

Mr. Conway: I am quoting from Mr. John Belanger of the Toronto Sun, who adds, for the edification of my friend from Ottawa East, about the ad valorem principle—the business columnist of no less a newspaper than the Toronto Sun says, "Like all true cowards, Mr. Davis would rather hide behind the shroud of indexing than take his lumps (however well deserved) in a political forum."

I wish my friend the member for Muskoka (Mr. F. S. Miller) were here tonight, at least for this particular portion of my remarks. The Sun says the Premier (Mr. Davis) "is to blame for this budget." I want my friend the member for Mississauga South (Mr. Kennedy) to convey

privately to the Treasurer that, according to the Toronto Sun—lest these rather hard-hearted, sometimes acrimonious condemnations worry the Treasurer too much—the Premier is to blame for this budget with all its heinous ad valorem tax gouging.

Interjections.

Mr. Conway: I am only about a quarter of the way through.

Interjections.

Mr. Speaker: Order.

Mr. Conway: Let the record show that the Treasurer and the Minister of the Environment (Mr. Norton) just proudly walked into this chamber together.

Interjections.

Mr. Speaker: Perhaps the honourable member could get back and start quoting from Bill 72 now.

Mr. Conway: The Premier is to blame for this budget with its indexed taxation, the centrepiece of Bill 72. The Premier is responsible for this budget—"Make no mistake about that," says the Sun. And with shades of what we have seen of the relationship between the parliamentary secretary to the Minister of Agriculture and Food (Mr. McNeil) and the minister (Mr. Henderson), Mr. John Belanger says: "Make no mistake about that. Miller is only the messenger boy; the carrier pigeon."

Interjections.

Mr. Speaker: Continue, Mr. Conway.

Hon. F. S. Miller: I am no carrier pigeon. I may be a sitting duck, but I am no carrier pigeon.

Mr. Conway: The Treasurer's argument is not with me; it is with the very distinguished and sometimes outspoken financial correspondent for the Toronto Sun, Mr. John Belanger, who has associated him with that particular group.

He goes on and concludes this assessment of the principle of indexed taxation, which is the centrepiece of Bill 72—

Mr. Piché: Stop quoting from Pravda.

Interjections.

Mr. Conway: Not even I would touch that with a Kapuskasing pole.

"I used to think William Grenville Davis had honour, dignity, honesty, integrity and, most of all, courage. No more," says the Toronto Sun, "because for Canada's economic heart and spine to move to indexing is, more than anything else, cowardly. And I never thought I would see

the day when I called him, publicly or privately, a coward. But he is. In spades, or something." I quote from the financial correspondent of no less an oracle than the Toronto Sun.

Interjections.

Mr. Conway: There might be some—the Minister of Health, the Ministers without Portfolio, the honourable member, the very active member in terms of political mobility for St. George (Ms. Fish)—who have a feeling that I have picked selectively from a partisan press.

10:20 p.m.

Mr. Bradley: She is a reformer. The Toronto Star said she is a reformer.

Mr. Conway: The Star calls her a reformer. Let the record show that not even the member for Renfrew South and the member for Fort William, in their most joyful moments, applauded an action as the reformer for St. George applauded this tax and its messengers.

Mr. Bradley: What would David Crombie think?

Mr. Conway: What would David Crombie think? He would think perhaps—let me go on, sir.

Mr. Speaker: Please do.

Interjections.

Mr. Speaker: Order. Continue, Mr. Conway.
Interjections.

Mr. Speaker: Now if we can all listen with rapt attention, Mr. Conway has the floor.

Mr. Conway: It will take me some further time to develop the second, third, fourth and fifth parts of this address, but I do believe I can conclude the first section by adjournment time, seven minutes from now.

Hon. Mr. Pope: Are you kidding?

Mr. Roy: Take your time.

Mr. Conway: Writing in his regular space on June 2, Mr. Claire Hoy, the Queen's Park columnist for the Toronto Sun, opined in a column headlined, "Benedict Arnold of the Oil Set," about how iniquitous, reprehensible and shamefaced a revenue grab is the ad valorem gas tax as proposed in Bill 72.

Mr. Claire Hoy writing in his space of that day in that paper said: "Remember the 'good olde days'? No, silly, not the real good olde days of the 1920s. I mean those hazy, crazy, lazy days of 1979 when Metro motorists paid about 87 cents a gallon for gas, about half what the price will be when Peter Lougheed's latest piece of economic blackmail is passed along.

"Still, Lougheed has been consistent. Alberta's ayatollah has always been out to stiff Ontario and turning the taps off is just his latest ploy. Ottawa, too, has been consistent, even during the Tory aberration after the 1979 election. Like Lougheed, they've been doing everything possible to squeeze consumers in return for swelling their own coffers.

"What is different, besides the price, is Ontario's position in this scheme of things. Until now,"—until Bill 72, until the ad valorem indexation of the gasoline tax—"Billy Davis was single-handedly fighting for the consumer interest, and, what's more, being taken seriously by oil barons and their friends. Davis said oil interests, private and public, were already making a fortune from oil at our expense, so artificially higher prices would kill Ontario's manufacturing base. It's inflationary, he cried, an 'unprecedented raid' on consumers. In short, Davis didn't like higher oil prices," of the kind being talked of in Perth, Sault Ste. Marie or anywhere else in Ontario or Canada.

As my friend the member for Sarnia will want to know, that was in 1979 when he was probably still a Liberal. He had already changed, lost once and was geared up for—

Interjections.

Mr. Conway: Mr. Hoy wrote: "Now we rush you forward to 1981, just two weeks after Davis and Treasurer Frank Miller conspired to surrender and join the oil profiteers. Now, rather than hurt as the price goes up, Davis and Miller win. The Ontario motorist, alas, loses. But what the heck? These are, says Miller, 'inflationary times.' Davis and Miller obviously wanted to get in on a good thing."

Let me say Bill 72, with its 20 per cent ad valorem rate, is a very good thing from the point of view of their revenue requirements. On pages 17 and 20 the Treasurer barefacedly admits this is his ambition, and not something else, as the government whip, the distinguished member for Mississauga East (Mr. Gregory), would have had us believe the other night in an interjection, "But isn't it a good thing for conservation?" There is no mention in those salient passages of the budget about this tax action as doing something in the interest of conservation; not at all. It is purely a shameless and barefaced revenue grab.

Writing in his space in the Toronto Sun of June 2, Mr. Claire Hoy continued: "Now, rather than a set rate per gallon, we have what's called an ad valorem tax, which means a straight

percentage of the price. As the price goes up, so does Ontario's take, just like Ottawa and Alberta."

Coming back to David Crane's great phrase, "the silent partner in this iniquity," it is so iniquitous I wondered if a cigar did not get lodged immovably in the mouth of the parliamentary assistant to the Ministry of Northern Affairs when he heard of this heinous, anti-consumer attack on the driving public of Fort William, so terrible an action is this proposal.

Mr. Speaker: Is the honourable member at a convenient spot to terminate?

Mr. Conway: It is a convenient opportunity to avail myself of this moment to ask that we

adjourn the debate until another time at which point I shall happily and at some length continue apace.

On motion by Mr. Conway, the debate was adjourned.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table a supplementary answer to question 96 and the answer to question 98 standing on the Notice Paper. See Hansard for Friday, June 12.

The House adjourned at 10:30 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 43

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, June 11, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 11, 1981

The House met at 2:01 p.m.

Prayers.

VAUGHAN LAND USE

Mr. Hodgson: Mr. Speaker, I would like to rise on a point of privilege.

For several weeks now the Leader of the Opposition (Mr. Smith) has been questioning the ministers of Agriculture and Food (Mr. Henderson) and Housing (Mr. Bennett) about the Vaughan official plan amendment 95.

It seems he feels there is some kind of a hidden scandal, to use his own words. For the past two or three days the member for Hamilton West (Mr. Smith) has been hunting for the name of the mysterious caller who he believes is behind whatever it is he thinks happened. I do not believe any of us here knows exactly what the member thinks.

That caller was myself. The person who contacted the Ministry of Agriculture and Food supporting the town of Vaughan was the member representing Vaughan. The member for Hamilton West has implied to the press and here in the House that there is some major developer pulling strings behind the scenes. That is simply not the truth.

I have been doing some research on all of this and want to state for the record that there are exactly 30 land owners in the area affected by the amendment. These holdings range in size from nine acres to 100 acres. There is certainly no massive land assembly and no big-name developer.

I met with these land owners—Mr. Urbano Battero, who owns 86 acres; his planning consultant, Mr. John Dewar, and his lawyer, Mr. Ross Hitch, QC, whom I am sure the member knows. They told me they were convinced the lands were not of good agricultural quality and asked that I support their request to have the Ministry of Agriculture and Food's position re-examined.

I was assured by Mayor Garnet Williams and Councillor David Fraser, who is chairman of the York regional planning committee, that the municipality fully supported the Vaughan amendment and the position of the land owners.

They in turn asked me to see whether a review could be undertaken.

As the member for York North, I then contacted the Ministry of Agriculture and Food and asked whether the ministry's position could be reconsidered. I do not feel I acted incorrectly in this matter. I feel I represented my constituency in the best way possible. I was asked to intercede on behalf of constituents and one of my municipalities, and I did so.

As the Minister of Housing said the other day, this is the role of a member of the provincial parliament, a job I have held for almost 14 years. I have no intention, and I repeat this, I have no intention of changing, nor do I suspect any other member in this House will change, at least if he wants to be re-elected. I am sure the Leader of the Opposition would not have got involved in the fruit land situation on behalf of his own municipality if he felt differently.

Further, the town of Vaughan remains committed to its position. On Monday night, June 1, the council of the town of Vaughan passed another motion reaffirming its support of amendment 95. The council member who moved the resolution was Councillor Jan Poot, a former federal Liberal candidate. Clearly, in Vaughan township, we are all interested in amendment 95.

I did not rise on this point earlier this week because I wanted to check out some of the comments that had been made in recent days. Last Friday the member for Huron-Middlesex (Mr. Riddell) stated a petition signed by 30 farmers had been sent to the Ontario Municipal Board, saying their lands were highly suited for agriculture. I made it my business to get a copy of that petition and discovered several things.

The petition was signed in 1978. Four of the petitioners are still farming. One of those who signed the petition, Mr. Robson, I have known for many years. He has since sold all his property and moved away. His family was one of the original group that retained Mr. Webb to fight the amendment, because they wanted their lands included to be rezoned for urban development. This whole matter is certainly straightforward from my point of view. I will table the list of land owners, with the size of their

holdings, with the Speaker.

Another thing I want to comment on is the Leader of the Opposition's claim that the developers, whoever they are, stand to make \$88 million profit. I had a chance to look at this situation in Vaughan yesterday, and based on the number of lots the town would allow on these 1,000 acres—he said 1,300—the sale price per lot would have to be in the neighbourhood of \$400,000 to \$450,000, excluding any house.

An hon. member: An acre?

Mr. Hodgson: No, a lot. I doubt that this is very likely.

Mr. Smith: Mr. Speaker, the statement by the member for York North, the former parliamentary assistant to the Minister of Housing, has clarified only part of the matter, namely that he was the person who made the telephone call. It does not clarify at all how the Minister of Agriculture and Food, who has served in this caucus for so many years with both the Minister of Housing and the member for York North, would not know the one from the other and would take several weeks, in fact, not to know the one from the other.

2:10 p.m.

Would it not be wise, in considering this point of privilege, to take into account the fact that the member for York North must have known the matter was in front of the Ontario Municipal Board, and that he was a parliamentary assistant to the Minister of Housing at the time he acted on behalf of his friends the developers and got in touch with the Minister of Agriculture and Food?

Interjections.

Mr. Speaker: Order, please. Just continue, Mr. Smith.

Mr. Smith: May I say very plainly, Mr. Speaker, that this House has been abused by having to go through about two weeks or so of questions that asked over and over again for the name of the person who made that phone call, while that person was sitting right here in this House and waited this long.

Interjections.

Mr. Speaker: Order. Mr. Hodgson dealt with that, I think.

Mr. Cassidy: Mr. Speaker, on a point of privilege: Is the House not entitled to an assurance that when members of the government party are named to the cabinet or are named to parliamentary assistantships, they will understand the conflicts that may arise between what

they deem to be their responsibilities as local members and their responsibilities on behalf of the ministers—

Mr. Speaker: Order. Mr. Hodgson clearly explained he was acting as the local member of that riding.

Interjections.

Mr. Speaker: Order. Order.

Mr. Cassidy: Are we then to understand that the Minister of Agriculture and Food will send his parliamentary assistant out to any other tracts of agricultural land when a private member from the Liberal Party asks him to act, as the member for York North asked the Minister of Agriculture and Food to act?

Mr. Speaker: That point has been dealt with on various occasions in this assembly.

Interjections.

Mr. Speaker: Order. Order.

Mr. Riddell: Mr. Speaker, on a point of privilege: My name was mentioned in the member's point of privilege, and I just want to make it amply clear that there was no distortion of the facts from the standpoint of the letter that was signed by 30 land owners who indicated on the petition that they opposed the rezoning of that land. Let us not distort the facts.

Mr. Speaker: Order. Mr. Hodgson explained that very clearly.

I might remind all members that this is private members' afternoon. We have a number of ministerial statements, and we are going to be short of time.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: Mr. Speaker, on a point of privilege: A matter of concern to me personally has come to my attention through the recent releases in the media concerning some incidents involving members of the Ontario Provincial Police and the Ontario Government Protective Service.

While I understand that the Ontario Government Protective Service is a special service of the OPP, it plays a vital part in our operations here and operates under your jurisdiction in the building. I wonder if you could undertake to inform us fully as to the details of the incident and bring us up to date on the morale of the service here at Queen's Park.

Mr. Speaker: I would be happy to and I indeed can. I am just a little bit concerned about the time. I wonder if I could table this.

Mr. Mancini: Take your time.

Hon. Mr. Davis: Go ahead, Mr. Speaker.

Mr. Speaker: All right.

This is in reply to an article in the *Globe and Mail*, June 10, 1981, page 10:

"With reference to an article in the above-mentioned newspaper, captioned, 'Grievances Include Assault,' and in bolder print, 'Queen's Park Officers Protest,' certain serious allegations have been made by Policewoman Younie and Policeman O'Brien which are totally untrue. I have already submitted a report on this incident of May 6, 1981, in which it was clear from the evidence of responsible and uninvolved witnesses that neither Policewoman Younie nor Policeman O'Brien were assaulted, pushed, roughly handled, intimidated or otherwise ill-used. Their statements to the press are a pack of lies.

"Policeman O'Brien, vice president of OPSEU's Local 589, holds a grudge against management because he was transferred from general headquarters OPP, 90 Harbour Street, to Queen's Park, and Policeman Dempster, president of OPSEU's Local 589, is an embittered man ever since he was transferred from special squad No. 2 to the regular line platoons. By this transfer he has forfeited his weekends and his nights in bed and this irks him."

Does that answer your question? That is signed by G.A. Kiernander, assistant senior supervisor, Ontario Government Protective Service.

Mr. Pollock: Mr. Speaker, I have a question for the Solicitor General. In the absence of the Provincial Secretary—

Mr. Speaker: Order. Order. This is not question period.

[Later]

Mr. Elston: Mr. Speaker, on a point of privilege: I know you read a letter, but can you tell the House, concerning the investigation by the OPP and the Ontario Government Protective Service of the matter, whether that is the extent to which you are going to go in making inquiries, or are you intending to go further than that letter you read to us?

Mr. Speaker: This is a memo I have as a report on the incident. I shall quote directly from the Legislative Assembly Act, which gov-

erns the privileges and the extent of responsibility I have and that the protective service has in this building.

Mr. Breithaupt: Are you satisfied with the report?

Mr. Speaker: I have no reason to doubt it. I was not a witness. Yes, I am.

LIMITS OF MEMBERS' PRIVILEGES

Mr. Breaugh: On a point of privilege, Mr. Speaker: Traditionally the front steps of the Legislature are a place where the citizens of Ontario have a right to gather and to express an opinion. Traditionally, as well, it is the privilege of members of this assembly to visit the front steps, to discuss matters with those individuals, and on occasion to make speeches. There is a sound system, there are gates, all kinds of things have been put in place to recognize that tradition of gathering there and protesting, demonstrating, showing support—whatever it might be.

Yesterday afternoon a gentleman by the name of Larry Tadman came down from Gilmour, Ontario, to protest in a unique way on the front steps of the Legislature.

Mr. Speaker: With all respect, your privileges were not infringed upon.

Mr. Breaugh: Mr. Speaker, I attempted to establish initially—

Mr. Speaker: Yes, you did.

Mr. Breaugh: —that I felt my privileges—

Mr. Speaker: But you were not denied going out on the steps.

Mr. Breaugh: You might do well to listen to the rest of the sentence, if you will.

Mr. Speaker: All right, proceed.

Mr. Breaugh: Thank you. It would normally have been my privilege as a member to go to the front steps and to talk to that man. Unfortunately, yesterday afternoon when I went there he was in the custody of the Metropolitan Toronto Police in a cruiser. For a member of this Legislature it became a little awkward to try to deal with that.

The point of privilege I want to raise is that they are, in part, my privileges as well that have been abrogated in that instance. I think it is an unfortunate precedent to have a citizen of Ontario charged with trespass on the steps of Queen's Park. I would like you to take that matter into consideration.

All of our members here traditionally have gone to groups on the front steps, talked to them

and obtained a good deal of information there. I believe in this instance my privileges as a member of this House have been abrogated and his rights as a citizen have been abrogated as well.

Hon. Mr. McMurtry: Mr. Speaker, I would like to address the House on this matter. The member for Hastings-Peterborough (Mr. Pollock) had brought this incident to the attention of my office this morning. I indicated to him that because it actually involved a constituent of the member for Hastings-Peterborough, we would look into the matter. I have a brief report, which I have not had a chance to peruse. As a result of the request of the member for Hastings-Peterborough, I am already looking into the matter.

2:20 p.m.

Mr. Breagh: Mr. Speaker, I appreciate what the Solicitor General may or may not do, but this House and the grounds surrounding it are under your jurisdiction. To have the police enter the grounds or the building—

Mr. Speaker: Order. That is not quite true. The Solicitor General has taken it under advisement.

I can deal with this quite readily, I think. This is another memorandum: "Re Larry Tadman, RR 1, Gilmour, Ontario, charged under the Trespass to Property Act by Metro police force. The above-mentioned individual was surrounded by press and photographers and arrived in front of the building at 1350 hours. He proceeded to open up his knapsack and removed a toy truck with a paper-packaged bundle of soil and a sign, 'Danger, radioactive material.' He set this up on the ground. I told him that dumping was not allowed and to pick it up. He refused, whereupon I handed the situation over to an officer from the Metro police department. The officer subsequently charged him with breach of Trespass to Property Act, section 2(1)(b). The subject left the area at approximately 1435 hours, June 10, 1981."

For the information of all members, the area outside this building is under the jurisdiction and authority of the Metropolitan Toronto police.

Mr. O'Neil: Mr. Speaker, on the same point of privilege: After something like this happens, maybe it is about time the government on the

other side of this House realized how the people in the Bancroft area feel about all this waste from Scarborough being dumped in their area.

Mr. Havrot: It is your buddies in Ottawa who are doing it.

Interjections.

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker, I am interested in ascertaining from you how far my privileges extend as a member of this House. Do they extend only as far as the confines of the building? Who owns the property on which this building is located, who invites the Metro police or any other police force to enter these premises and this building, and at what point is that done?

Mr. Speaker: Rather than rely on my memory, I will get you all the information requested.

Mr. Cassidy: To conclude this point of privilege, Mr. Speaker, since demonstrations in front of the Legislature traditionally have been attended and policed by members of the protective service of this Legislature, would the Speaker undertake to assure this House that the rights of the citizens of the province to peaceful assembly and demonstration in front of this Legislature are not abrogated by the Metro police, the OPP—

Mr. Speaker: Order. From memory, I think, with all respect, the honourable member has a misunderstanding of where the jurisdiction begins and ends. I will be pleased to get that information.

Mr. Cassidy: The right of assembly is important.

Mr. Rotenberg: You have the right of assembly any place.

Interjections.

Mr. Speaker: Order. Mr. Pollock has been trying to get the floor for some time.

Mr. Pollock: Mr. Speaker, on a point of privilege: Would the Solicitor General conduct a full investigation into this matter?

Mr. Speaker: Yes, the Solicitor General has given an undertaking that he will report.

Mr. Roy: On the point of privilege, Mr. Speaker: If I may address you as our representative and a servant of this assembly, I consider, and I think all members should consider, that our privileges should not be limited just to the building. In spite of who may have jurisdiction—legislative or police jurisdiction outside the building—would you assure us that the long tradition of demonstrations by people and the

free expression in front of the building will in no way be curtailed by whoever has jurisdiction, whether it is the protective staff or whether it is Metropolitan Toronto police, so that people can come and freely express their opinions in front of the building as has been the tradition in the past?

Mr. Speaker: That is not in dispute. Quite clearly I said I would get the information and I will. It is all contained, as I understand from reading it, in the Legislative Assembly Act. I do not have a copy of it with me and I just do not want to rely on my memory.

STATEMENTS BY THE MINISTRY

CHARLES H. BEST CHAIR

Hon. Mr. Timbrell: Mr. Speaker, we in Ontario have a special reason to celebrate the diamond jubilee of the discovery of insulin. It was 60 years ago, within easy walking distance of this chamber, that Dr. Frederick Banting and Dr. Charles Best made one of the most important medical breakthroughs of this century, indeed of all time. The discovery of insulin at the University of Toronto brought Banting and Best worldwide fame and honours, as well as distinction to Canada and to this province.

As the honourable members will recall, in the fall of 1978 I announced that this government, through my ministry, was to provide a \$1-million endowment to the University of Toronto in memory of Dr. Best, who had died that spring. The endowment, called the Charles Herbert Best Chair of Medical Research, was soon after made available from the Provincial lottery.

The purpose of this chair is to develop practical knowledge from research that can be used in the treatment of patients. Such research need not be confined to improvement and refinement in the treatment of diabetes, but can cover a wide range of medical interests, as did the subsequent career of Dr. Best. Among his credits, for example, is the discovery of a means of drying and storing blood serum. Another is a remedy for seasickness. Dr. Best also founded the Canadian Diabetes Association, which now has in excess of 26,000 members from coast to coast.

I would like to remind the members that the first \$100,000 from the proceeds of the endowment was designated for the development of the Banting and Best Diabetes Centre at the University of Toronto. It was to be given on a matching dollar basis in keeping with the funds raised by the centre, which funds I am pleased to say the centre had no trouble in raising.

This centre comprises an interdisciplinary group of scientists, physicians and educators at the U of T. Their objective is to extend research into the cause and treatment of diabetes mellitus and to improve the clinical and educational services available to patients with this disease in Ontario.

It is my pleasure at this point to be able to announce the appointment of Dr. Charles Hollenberg to the Best chair at the university and his appointment later this year to the chairmanship of the Banting and Best Diabetes Centre. Let me take a brief moment to describe Dr. Hollenberg's impressive record. He was a professor of medicine at the universities of McGill and later Toronto. While teaching, he held senior medical posts on the staffs of both Montreal General Hospital and then Toronto General Hospital. His particular research interests centre on fat metabolism. Of special concern here is the way insulin and other hormones—

Mr. Speaker: Order. I suggest to the members that they refrain from carrying on private conversations during the ministerial statements and the question period so we may all hear and understand what is being said. Please proceed.

Mr. Sargent: Tell him to cut it short then.

2:30 p.m.

Hon. Mr. Timbrell: I think it is so important a matter that it should not be cut unduly short.

To continue, Mr. Speaker, his particular research interests centre on fat metabolism. Of special concern here is the way insulin and other hormones interact with fat tissue to regulate the amount of fat in the body.

Dr. Hollenberg holds memberships in several scientific societies and has served as president of a number of learned bodies, including the Canadian Society for Clinical Investigation and the Canadian Society of Endocrinology and Metabolism.

I am most pleased that this distinguished man has consented to accept the appointments I have just announced. I would like all members to acknowledge the presence of Dr. Hollenberg and his good wife in your gallery, Mr. Speaker.

FACILITIES FOR DISABLED PERSONS

Hon. Mr. Pope: Mr. Speaker, I would like to draw your attention in this, the International Year for Disabled Persons, the fact that access to Ontario provincial parks by groups of disabled persons has been expanded. Facilities have also been tailored to their needs in many parks.

This ministry has had a long-standing policy

of providing group camping and group day use privileges to members of agencies for the mentally or physically disabled. However, in the past some people may have been prevented from enjoying Ontario's provincial parks because access has sometimes been difficult. We are trying to rectify this to the greatest possible extent.

Groups of disabled people will now have greater access to our parks through 35 municipally operated buses that are available to such groups throughout the province. Municipalities operating buses for the disabled will shortly be sent, along with park entry permits, a list of parks with washroom facilities specially designed to accommodate wheelchairs. A news release now being circulated to the media contains a list of parks already equipped with these facilities and those that will have them by the end of this year.

Improved access to our provincial parks through the buses available to disabled groups and the added special facilities in the parks will encourage more residents to enjoy an outdoor experience.

WHITCHURCH-STOUFFVILLE WATER QUALITY

Hon. Mr. Norton: Mr. Speaker, there has been, over the last weeks, a very substantial concern on the part of residents of Whitchurch-Stouffville about the quality of their drinking water.

In order to resolve this concern and for the information of the honourable members of this Legislature, I would like to set out the results of an extensive sampling and analysis program that has just been completed by my ministry. A complete report on these results is being sent to the local council and the Environmental Assessment Board, which is at present conducting hearings in that community.

This site has been monitored very extensively, starting in private wells as far back as 1966 and on-site since 1970. Present monitoring has grown to include 13 private wells, two municipal wells and the distribution system, 22 test holes and wells on site, and two surface-water sampling locations.

Over a three-day period our scientists have conducted more than 2,000 tests from Whitchurch-Stouffville drinking waters. Based on these results there is absolutely no indication that the drinking waters are contaminated by the landfill or any other source. In testing for 20 general water quality parameters, 24 metals and

66 industrial chemicals, pesticides and related compounds, we found nothing that would in any way affect or threaten drinking water quality. All in all, our sampling has shown outstanding water quality in this community.

What specifically did we find in the analytical activity? First of all, we found no pesticides, no PCBs, no dioxins and no exachlorobenzene. All the water quality parameters for drinking waters were within the ministry's water quality criteria.

In our experience, certain volatile organohalides such as carbon tetrachloride, trichloroethylene, freons, et cetera, commonly occur in landfill-site leachates and in emissions from landfill sites and can be regarded as very sensitive indicators of ground water contamination from landfill material.

All unchlorinated drinking water samples were free of these volatile organohalides. The chlorinated water supply, as would be expected, contained low levels of trihalomethanes. These are commonly found in any chlorinated drinking water.

The most detailed gas chromatograph-mass spectrometric scans showed no contaminants in any of the nonchlorinated well or drinking water samples.

The first samples of Stouffville chlorinated water supply showed the possible presence of three compounds at levels so near the detection limit as to be unidentifiable. Resampling and analysis showed phthalate ester plasticizers in parts per trillion at the local sewage treatment plant, the end of the distribution system. These substances most commonly originate in water systems from the plastic piping and sealants in the system.

Also identified were 2,4,6-tribromophenol, dibromochlorophenol and dichlorobromophenol in the one to three parts per trillion range. Since 2,4,6-trichlorophenol is quite often present in chlorinated drinking waters where the raw water contains traces of phenols, we and the Ministry of Health officials agree the tribromophenol or the bromo-chlorophenols identified in the Stouffville drinking water at the parts per trillion level have no health significance.

In summary, the laboratory produced more than 2,000 priority results in less than three days on Whitchurch-Stouffville drinking waters. I might add that I can, without equivocation, say that municipality has by far the most extensively tested water ever in the history of Ontario. Based on these results, there is absolutely no indication the drinking waters are contaminated by the landfill or any other source.

I sincerely hope this establishes clearly that the residents of Whitchurch-Stouffville enjoy drinking water quality equal to or better than any other community in this province or elsewhere.

ONTARIO-PEKING SCIENCE EXCHANGE

Hon. Mr. Baetz: Mr. Speaker, an agreement involving the Ontario Science Centre has been signed with the People's Republic of China. This involves a most unusual international exchange. The Canadian part of this exchange involves the Ontario Science Centre's unique hands-on concepts and methods of presenting natural law as man understands it and seeks to harness it. The Chinese part involves a unique offering of the artefacts and skills of 3,000 years of Chinese science and technology.

It was in 1979 that Chinese scientific and cultural ambassadors came to Canada as part of a broad effort to implement the "Four Modernizations" in China. The Chinese came to our country against a background of many cultural interests. One of those interests was the further stimulation among the Chinese people of the excitement and importance of science.

It was subsequently determined that in the interests of this stimulation, a science centre should be built in Peking. After a careful worldwide study, the Chinese paid us the singular compliment of choosing the Ontario Science Centre as the model for the Peking science centre. It was further decided that the crystal around which the Peking science centre would grow should be our own science centre's renowned travelling exhibit, known as the Science Circus.

Our science centre would produce a duplicate science circus for Peking and the Chinese would bring to the science centre the most expansive and expressive exhibition of historic Chinese science and technology ever assembled anywhere outside China.

Today, through the Ontario Research and Development Corporation, the provincial crown's main contracting commercial research and development agency, the science circus destined for Peking is being produced. At the same time, the planning and preparation of the great Chinese exhibition, to be held at the Ontario Science Centre for six months starting in May 1982, are well under way.

I do not think it inappropriate to submit that this exhibition will fascinate and attract not only Canadians but people from many other countries. China is the cradle and the crucible of

some of the most remarkable scientific creativity in human history. This exhibition will unravel the web of a feverish genius. It will embrace rocketry, textiles, medicine, astronomy, paper-making, printing and other areas in which the historic Chinese contribution has been basic.

The Chinese, as many of us know, invented explosive nitrogen-based powder. They packed that powder into bamboo sticks over 1,000 years ago and ignited it, creating, as far as we know, the first rockets.

2:40 p.m.

The Chinese invented remarkably sophisticated looms. This exhibition will bring us one that dates back to the Han Dynasty in the year 200 BC. The Chinese were also the first to observe and record some fascinating astronomical phenomena: Halley's comet, sunspots and exploding stars.

The Chinese invented the magnetic compass, paper, movable type, and the double bellows that led to hot furnaces for firing steel and porcelain. As we all know from the tremendous attention that has been focused on acupuncture here in the west during the last decade, the Chinese revealed to the Europeans many hundreds of years ago whole new concepts in surgery and medicine.

This is the immense background against which the exhibition of 3,000 years of Chinese science and technology at the Ontario Science Centre will be set. I believe it is fair to say that the centre's outstanding international reputation and the personal stature of its eminent director-general, Dr. Tuzo Wilson, were fundamental to the Chinese decision to permit us to share in this most remarkable celebration of a rich and gifted culture.

I believe it is also fair to say that this whole exchange speaks eloquently to the emergence of our province and country as serious and important participants in the knowledge-based economies of the future.

ORAL QUESTIONS

HYDRO EXPORTS

Mr. Smith: I have a question for the Minister of Energy, Mr. Speaker. The Minister of Energy, in speaking to the Canadian Nuclear Association, has indicated that he favours having dedicated reactors of a nuclear nature here in Ontario for the purpose of exporting electricity to the United States of America.

Given the fact that when the minister was asked that very question on May 22, 1980, he

stated, "This government is not contemplating the construction of another nuclear generating station exclusively dedicated for export," and given that he made it very clear at that time that he dissociated his ministry from the remarks made by his parliamentary assistant at that time, the member for Durham West (Mr. Ashe), who had floated the same trial balloon, why is the minister now changing his mind?

Is not the simple fact that he is now, after March 19, stating the policy he prefers, another of those realities that before March 19 the people of Ontario were led to believe one policy when all along it was his intention to implement a totally different policy?

Hon. Mr. Welch: Mr. Speaker, I think it is a bit unfortunate that the Leader of the Opposition has not taken the time to read the speech that was delivered in Ottawa earlier this week. I would think that if he did read it, and if he wanted to take some time now to share that speech with us, he would find it has been developed in connection with the Canadian Nuclear Association.

It is sufficient to answer his question to say simply this: there has been no change in government policy. The answer I gave to the questions raised in this House a year ago is the answer I give this afternoon. There is no government policy that could be interpreted as supporting that particular proposition.

Indeed, I included that possibility in sharing these observations with the Canadian Nuclear Association in Ottawa earlier this week. There was nothing original about that particular discussion. The Leader of the Opposition will know that over a period of several years many important bodies and studies have discussed this particular possibility. I shared with the media, who had expressed some interest in those observations a couple of days ago, that I was personally quite attracted to the idea. I felt, however, that because of all the conditions and all the facts that had to be taken into account, many of which were enumerated in the body of that speech, I would want a lot more work done before I gave any serious consideration to taking the proposition forward to my colleagues of government.

Number one, the answer is the same today as it was a year ago. The Leader of the Opposition will know very well that I included that possibility in the development of my paper before that particular society because it had been part of general discussion about the future of Candu technology. I would hope that the Leader of the

Opposition would share with the Minister of Energy of this province and with many responsible people the pride we have in that technology, and in the fact that there are a number of things happening at the moment with respect to environmental concerns—energy policy in the US—which might before too long make that an attractive proposition.

However, I point out to him that I would not change any word in that particular speech. Its interpretation by others is another matter. I hope the Leader of the Opposition will read it. I see no inconsistency at all in regard to my response to questions a year ago or my speech two days ago.

Mr. Smith: Given that the minister went in front of the Canadian Nuclear Association with a six-page speech, three and a half pages of which were devoted to extolling the virtues of having a dedicated nuclear reactor for the purpose of export, and given that this is obviously, to anybody who was in this House, a very significant change in policy and in tone from the statement made by that very minister when repudiating the same comments by the Minister of Revenue (Mr. Ashe)—a man who is smiling broadly at the moment, let the record show—

Interjections.

Mr. Speaker: Order.

Mr. Smith: —would the minister not agree that it makes little sense for Canada, and for Ontario in particular, to be trying to find some way to deal with the disposition of nuclear waste, to be having the difficulty we now are having, and to go down into the US to borrow money at high rates of interest to build a reactor here and put up with the nuclear waste problem here while sending clean electricity to the US? If the technology is so good, why do we not sell it to the Americans and let them use it? Does the minister not agree the policy is simply a bad one and should be forgotten about post haste?

Hon. Mr. Welch: Mr. Speaker, may I be permitted to make one or two observations by way of correction? The Leader of the Opposition continues to use the words "government policy." I made quite clear the context in which those remarks were made.

Indeed, the three and a half pages, if that be the correct number of pages that the Leader of the Opposition professes to have read, are on the subject of the export of electricity, which was the title to the panel discussion there. We talked about the export of electricity in many ways, because, after all, Ontario Hydro has been

involved in the export of electricity to the US for 60 years, and the honourable member would have found that in the speech he says he has read.

We included in those three and a half pages, if that is the number of pages, the proposition respecting the possibility of export from a dedicated plant, keeping in mind we were talking in the Canadian context. If the Leader of the Opposition had read the speech as carefully as he professes to have done, he would have noted that the Minister of Energy included in the list of things that would have to be attended to, this question of nuclear waste disposal. It was, in fact, identified as one of the very important matters that would have to be there.

Indeed, I am very pleased that the former parliamentary assistant to the Minister of Energy, now the Minister of Revenue, had the foresight in his speech to include that, because he was in good company at that time, speculating as to the future possibility of exploiting Canadian technology.

Mr. Cassidy: Supplementary, Mr Speaker: I think the minister is being irresponsible in making a speech that is not government policy, or in somehow expecting people in the Canadian Nuclear Association and this Legislature to know whether or not a minister is enunciating government policy. I presume that means the public is going to have to come in here and ask, because the minister did not indicate whether he was or was not doing so in front of the nuclear association.

Were we not to assume when the minister responsible for Hydro, the minister responsible for nuclear policy in the government of Ontario, goes before the Canadian Nuclear Association and makes a speech saying he is looking at the possibility of dedicated plants to sell nuclear power to the United States, and goes on to say that discussions have been going on for some time about this very eventuality, that at the very least he has cleared the speech with the Premier (Mr. Davis) and the cabinet, and at the very least has some authority from the cabinet or the government to go forward?

Would the minister now say what authority he had from cabinet or the government to make this speech? What is the specific nature of the discussions the minister has undertaken on this particular subject, which has to go before the people of the province before we start to see a nuclear power plant in somebody's backyard to send nuclear power to the US because they will not build the plants themselves?

Hon. Mr. Welch: Mr. Speaker, one of the salient qualities, among so many, of the Premier of this province is the trust he imposes on those whom he chooses to be members of the executive council. I would think, under the circumstances, the leader of the third party, may I say with the greatest respect, obviously could not have read the speech, to have worded his questions the way he has. If the honourable member says he did, I have no right to question that, but I find it difficult to understand that question coming from anyone who has really read the speech and the development of the thesis of that speech.

2:50 p.m.

Regarding the discussions to which reference is made, the honourable member will recall that this whole business of a dedicated nuclear plant for purposes of export has been in the realm of public discussion ever since 1972—

Mr. Cassidy: Repudiated by McKeough; repudiated by the minister.

Hon. Mr. Welch: Whoever may have repudiated it, let me give the honourable member a brief summary; because the member for York South (Mr. MacDonald), who I hope has read the speech as well, has been a bit excessive in his attempts to talk about the message—he has every right to take exception to the message—by straying into questioning the reputation of the messenger, using such strong language as his being deceptive. I hope that under the circumstances, being the gentleman that he is, he may well want to reconsider that.

As a matter of fact, the summary of events in this whole question of dedicated nuclear plants goes back to 1972, when Acres Consulting Services presented a brief to the Ontario government giving some results of an examination of the feasibility of establishing such a plant in the vicinity of Sault Ste. Marie.

In 1977, the MacLaren report studied the export of electrical power. My distinguished colleague who is now the Minister of Culture and Recreation (Mr. Baetz) raised that in a speech in April 1978.

In May 1978, there was a submission by the president of Ontario Hydro to the federal task force on Candu export marketing, and the distinguished Minister of Revenue included that in a speech here.

What is so particularly original about the matter of continuing the discussion, while making it quite clear that it was not a matter of government policy at this time but speaking to

an audience and, I hope all members of this House will agree, attempting to keep before the public of this country the safety and the availability of that technology for this particular purpose?

Mr. Speaker: Final supplementary; Mr. Sargent.

Mr. Sargent: Supplementary, Mr. Speaker: I do not know why the minister keeps repeating these crazy stories as he is doing. In view of fact that he is spending \$6.6 billion on Darlington, and the last unit at Douglas Point which was to have cost \$280 million cost \$880 million, and, since the experience across the road is a 500 per cent overrun cost, the Darlington cost with the \$600-million pipeline across the pond he is going to build in Lake Erie is going to be \$15 billion plus interest, and we have a 40 per cent surplus of power now, will the minister tell me who is crazy?

Will he tell me if he is really going to do that? It will be a \$15-billion cost. The Premier, who is sitting there, should be ashamed of himself. He knows I am damned well right when I say this thing. It is a fact.

Hon. Mr. Welch: Mr. Speaker, I really have some difficulty in knowing exactly which question I am to answer in that particular matter.

If the question is, are we proceeding with Darlington, the answer is yes.

Mr. Speaker: A new question, Mr. Smith.

Mr. J. A. Reed: This is an important matter.

Mr. Speaker: It is important, but I clearly enunciated that was the final supplementary.

ASTRA/RE-MOR

Mr. Smith: Mr. Speaker, I had a question for the Minister of Agriculture and Food (Mr. Henderson) and for the Minister of Housing (Mr. Bennett). Both ministers were here earlier, and have disappeared. Presumably I will get to speak to them a little later. The parliamentary assistant has also conveniently disappeared.

I will ask a question of the Minister of Consumer and Commercial Relations concerning the Astra and Re-Mor matter. Given that many people believe there has been, at the very least, negligence and conceivably wrongdoing on the part of the ministry and the Ontario Securities Commission in the matter, given that the government has a majority both in the standing committee on administration of justice and in the House, and so can effectively block any investigation from occurring in this House, and given that up until now the majority has

been used to prevent even a judicial inquiry or an independent royal commission from being appointed to look into the government's performance in this matter, will the minister say how it is that the right of the people and their elected representatives to find out facts about the government's performance in this matter—that time-honoured and vital right in a democracy—is to be protected?

Hon. Mr. Walker: Mr. Speaker, I learned about the news conference the Leader of the Opposition had this morning. Frankly, I thought to myself he was getting a little bit hysterical about the whole matter, going on and on about the fact that there is all kinds of political influence on ministry officials. Why does he not give the evidence of that kind of thing instead of coming out and saying it is there?

He talked about some possible underworld criminal connections involved in the thing but, when questioned about it, he could not come up with one of them that was anywhere decent. Why does he not come up with some evidence, if he has any, and go and talk to the police? Maybe he can tell us something about what is going on. He continues on and on and on.

The last thing I thought he got most hysterical about was when he talked about democracy being threatened. How can he say democracy is threatened when all the things have gone on in this matter that he knows full well have gone on? Does he not realize that for two months the committee sat and argued this matter day in and day out? The opposition-led majority of that day was able to have certain things dealt with for two whole months. An election followed, and what did he have to say about the matter? He said it is threatening democracy. I cannot believe some of the things the member is coming out with.

Mr. Smith: The minister is making my case very well out of his own mouth. Since there were two productive months during which the facts made available to elected members were able to be examined very usefully, an interesting fact did come to light. But since it is obvious, and was the view of all members, that committee did not finish its work at the time; since I asked questions six weeks ago today on the subject of serious allegations regarding the Ontario Securities Commission; since on the fact of underworld involvement there is, as he knows, a payment of a very considerable amount of money on the record from Mr. Montemurro to Mr. Bagnato, who, according to the member for Burlington South (Mr. Kerr), was considered to

be an underworld figure; since there are allegedly tapes reported in the Burlington Post linking conversations to one Mr. Clement, which have never been satisfactorily explained or presented; since if the minister desires that it not be considered in the committee, which did such a good job before, he has the option of putting it into a nonpartisan arena, namely, a royal commission headed by some judge of impeccable integrity, why will the minister not move to have this matter and the government's performance and the performance of the OSC examined by somebody so that the government can be held accountable somehow to the people of Ontario?

Hon. Mr. Walker: Mr. Speaker, I am being challenged on the question of underworld characters. The Leader of the Opposition brought that up this morning in the news conference and, when challenged about it, floated out the Bagnato connection, which is old hat and a useless ingredient in the whole thing.

When one of the reporters asked him this morning, "Is that all you have?" he said, "Well, that's all I want to talk about at the moment." What more has he got? I ask him to tell us what he has. Why does he not tell us what he has? If he has something, let him go to the police. If he likes, I will have members of the police force drop around to see him in his office and then he will have a chance to tell them what he has got.

I say to the member not just to sit there making that kind of slimy innuendo. In my mind, Mr. Speaker, it really is embarrassing to this House. He should be ashamed of it. He should withdraw that kind of thing.

Mr. Smith: Mr. Speaker, on a point of privilege: I demand that the minister retract those statements, which are unparliamentary in nature.

Interjections.

Mr. Smith: The minister should have the guts to acknowledge that every single statement I made has been backed up in fact. There is not one factual error in the statements I made—

Mr. Speaker: Order.

Mr. Smith: Who is going to answer the people of Ontario?

Mr. Speaker: Order.

3 p.m.

Mr. Philip: Supplementary, Mr. Speaker: Since the committee only sat for one month and not two months, as the minister has just erroneously indicated; since there were fairly obvious contradictions in the testimony as he will see if

he reads Hansard, as other members have read Hansard; since the former minister agreed he had an eyeball-to-eyeball discussion with the superintendent of insurance on one application, why is the minister so afraid to let the minutes of Hansard be studied again by the standing committee on administration of justice? Why do his lackeys in the back row of the justice committee vote against the open examination of the evidence that was considered during that month by the justice committee?

Hon. Mr. Walker: Mr. Speaker, the member should withdraw the comment about lackeys in the back row. What an embarrassment he is here!

Mr. Smith: "Slimy innuendo" is all right.

Mr. Speaker: Mr. Roy, a supplementary?

Mr. Smith: Walker, you are a disgrace.

Mr. Speaker: Order. Just control yourself.

Mr. Roy; final supplementary.

Mr. Smith: He is supposed to be in charge of justice policy, not covering it up.

Mr. Speaker: Mr. Roy has the floor.

Mr. Smith: Justice policy indeed! The minister is stonewalling. The minister of cover-up; that is what you are.

Mr. Speaker: Order.

Hon. Mr. Walker: Mr. Speaker, I demand—

Mr. Speaker: Order. I have recognized Mr. Roy on the final supplementary. Mr. Roy has the floor.

Hon. Mr. Walker: Mr. Speaker, on a point of privilege: The Leader of the Opposition indicated that I was a minister of cover-up, and I want that withdrawn.

Mr. Breithaupt: Not a chance.

Mr. Sargent: What does the minister mean, he wants that withdrawn? Does he make the decision?

Mr. Speaker: Order. This House is so noisy I did not even hear what the minister asked, let alone what the Leader of the Opposition is alleged to have said.

Mr. Smith: I said it all right. I will say it again.

Mr. Speaker: Order.

Mr. Eaton: When are you going to replace him over there?

Mr. Speaker: Order.

Hon. Mr. Davis: Are looking up to see if your picture is going to be taken, Stuart?

Mr. Smith: No, but you are.

Mr. Speaker: Order.

Hon. Mr. Walker: My point of privilege, Mr. Speaker.

Mr. Speaker: Yes, I quite realize that. I would like to hear what you said. I did not hear either of them.

Hon. Mr. Walker: Mr. Speaker—

Mr. Smith: I'll say what I said again. I'll repeat what I said, Mr. Speaker.

Mr. Speaker: I asked the minister.

Mr. Smith: He's going to tell you what I said?

Hon. Mr. Walker: Mr. Speaker, the record will show that the Leader of the Opposition indicated I was a minister of cover-up. I would like to have that withdrawn.

Interjections.

Mr. Speaker: Order. The Leader of the Opposition has already admitted, apparently, that he said it.

Mr. Smith: Yes. And proud of it.

Hon. Mr. Timbrell: Stuart, remember Wintermeyer.

Mr. Speaker: Order. I draw all honourable members' attention to standing order 19(d)(8) wherein it says: "In debate, a member shall be called to order by the Speaker if he makes allegations against another member."

Mr. Smith: "Slimy innuendo." Is that what you mean?

Mr. Speaker: Mr. Smith, I ask you to reconsider your remark and withdraw it.

Mr. Smith: What about "slimy innuendo"?

Mr. Speaker: Order. We are dealing with this point of privilege.

Interjections.

Mr. Speaker: Order. The minister has risen on a point of privilege. He has drawn to my attention what, in my opinion, appears to be a breach of standing orders.

Mr. Smith, I ask you to reconsider your remark and withdraw it.

Mr. Smith: In the first place, Mr. Speaker, I rose earlier to ask that the minister withdraw the term "slimy innuendo."

Mr. Speaker: Order. We are dealing with this point of privilege.

Mr. Smith: Secondly—

Mr. Speaker: Order.

An hon. member: Deal with that one!

An hon. member: It is totally unfair.

Mr. Speaker: Order.

Interjections.

Mr. Speaker: I made it very clear that we are

dealing with this particular point of privilege—

Mr. MacDonald: But you ignored the earlier one, Mr. Speaker.

Mr. Speaker: I would be prepared to listen to it.

An hon. member: He put it already.

Mr. MacDonald: You don't have to listen to it; you ruled.

Mr. Speaker: Order. We are dealing with this one point of privilege.

Mr. Riddell: Where has your independence gone? "Slimy innuendo?" Why don't you deal with him?

Mr. Speaker: Order. I am dealing with the matter that has been raised. If the general order and conduct of this House were somewhat quiet, I could hear some of the remarks that were going on. I cautioned members earlier to limit their private conversations; they did so for a few seconds and then chose not to.

The Minister of Consumer and Commercial Relations has risen on a point of privilege and has asked the Leader of the Opposition to withdraw his remarks.

Mr. Smith: I state again that the minister, in having the government majority, refused to permit any questions to be asked in the committee. Refusing to permit it is—

Interjections.

Mr. Speaker: Order.

Mr. Smith: In not responding to questions I asked for six weeks is engaging in a cover-up.

Mr. Speaker: Order.

Mr. Smith: I will state it again, and I will say so every time you ask me—

Mr. Speaker: Order. That is not my understanding of what you said.

Mr. Smith: I will state it again: He is a minister of cover-up.

Mr. Sargent: Now watch the minister chicken out.

Some hon. members: Sit down!

Mr. Speaker: Order. Your point of privilege has been raised; it is under consideration. I have asked Mr. Smith to withdraw his remarks. He has refused.

Mr. Smith: Absolutely.

Mr. Speaker: He has reiterated his remarks, and that leaves me no alternative but to name Mr. Smith, the honourable member for Hamilton West, and ask him to withdraw for the

balance of this sitting.

Mr. MacDonald: This is absurd, absolutely absurd.

Mr. Speaker: Order.

Mr. Nixon: Mr., Speaker—

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker—

Mr. Speaker: Order. Sergeant at Arms, will you escort Mr. Smith, please?

Mr. Nixon: Mr. Speaker, surely your opinion is appealable—

Mr. Speaker: Order.

Mr. Nixon: With respect, sir, we must appeal your decision.

Mr. Speaker: Order.

Mr. Nixon: We appeal your decision, Mr. Speaker. We appeal it.

Mr. Speaker: You are challenging it; is that what you say?

Mr. Nixon: Will you please ask the Sergeant at Arms to take his place while there is an appeal to your decision going on, Mr. Speaker?

Mr. Speaker: All right. Resume your position, Sergeant at Arms. Are you going to—

Mr. Foulds: We are challenging the ruling.

Mr. Speaker: All right. That is what I wanted to hear.

All those in favour of the Speaker's ruling will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Bring in the members.

The division bells rang at 3:10 p.m.

4:37 p.m.

Mr. Speaker: For the information of all honourable members, I have had an opportunity to review the situation—

Mr. Nixon: Mr. Speaker, may I call your attention to 94(b)—

Mr. Speaker: Order, please. Order.

Mr. Nixon: —which says there is no further debate—

Interjections.

Mr. Speaker: Order, order.

Mr. Sargent: It is a setup. Here we go.

Interjections.

Mr. Speaker: Order.

Mr. Smith: Let's have the vote.

Mr. Sargent: Call the vote. That is your job.

Mr. Speaker: Order. This whole procedure is out of order.

Mr. Roy: No it is not.

An hon. member: You should resign if it is.

Mr. Speaker: This whole procedure is out of order. Just settle down and listen, please.

If you look at standing order 28(a)—

Mr. Smith: That's just on questions.

Mr. Nixon: We are going to debate that for a while.

Mr. Sargent: They have got you in their pocket, John.

Mr. Speaker: All right, not having regard for 28(a), if you go back, in actual fact I did not make a ruling. I made a statement of fact which was not appealable, which was not debatable, and I allowed it to be appealed. So the whole procedure has been out of order.

Mr. Roy: No it is not.

Mr. Speaker: Order. Before the bells rang, the Minister of Consumer and Commercial Relations was trying to get my eye. He stood up. I am calling on Mr. Walker after—

Mr. Sargent: Oh come on.

An hon. member: This is completely irregular.

Hon. Mr. Ashe: What a bunch of clowns over there.

4:40 p.m.

Mr. Speaker: After having had the opportunity of reading Instant Hansard and finding that the allegations—

Mr. Conway: On a point of order: As Mr. Speaker Beaudoin found 25 years ago, you can not turn back the clock. The order was given to call in the members. The vote must now be taken.

Mr. Speaker: Order. As I said, the procedure was out of order—

Mr. MacDonald: It is not out of order.

Mr. Speaker: —and I call on Mr. Walker to withdraw his remarks.

Hon. Mr. Walker: Mr. Speaker, I withdraw the comments I made about the word "slimy."

Mr. Nixon: Clearly, Mr. Speaker, when members have been called in for a division, there shall be no further debate. That is quite clear. That is standing order 94(b), and I would suggest to you, sir, that the vote be taken.

Mr. Speaker: Order. The matter, in fact, was out of order. It is not debatable.

Mr. Cassidy: On a point of order, Mr. Speaker: If, as you say, the matter was out of order and the vote should never have been called, I assume that, in fact, your naming of the member for Hamilton West stands, unless you intend to withdraw it.

In order to find out what is happening, could the Speaker give a fair ruling as to whether a naming is a naming any more, or in fact, whether that rule of the House has been changed as well?

Mr. Speaker: As I said quite clearly, the whole procedure was out of order—

Mr. Breithaupt: No, you named the member.

Mr. Smith: You had the Sergeant at Arms standing right in front of my desk. What was he doing there?

Mr. Speaker: Well, you should know, you have had a conversation with him, I understand.

Mr. Smith: He asked me to leave.

Ms. Copps: Is he named or is he not?

Mr. Speaker: Order. This is not debatable. I am making a statement and I am asking Mr. Walker to withdraw his remarks.

Mr. Smith: I am not going to have the Sergeant of Arms coming to the desk of the leader of Her Majesty's opposition, saying things to Her Majesty's opposition leader if, in point of fact, he was here without any authorization according to you.

If the Sergeant of Arms comes to me and asks me to leave this chamber, and does so without your authority, then I would like him dealt with. If, on the other hand he was here with your authority, it is a serious matter for the Sergeant at Arms to come to the leader of Her Majesty's opposition and instruct him to leave the Legislature of Ontario, and I intend to know—

Mr. Speaker: Order.

Mr. Smith: I intend to know whether he was here with the authority of the Speaker of this House or without the authority of the Speaker of this House.

Mr. Speaker: Quite clearly—

Mr. Sargent: On a point of order—

Mr. Eaton: Give him a chance to explain the situation.

Mr. Sargent: I have sat here for 20 years and I

have never seen such a disgraceful performance as today. I demand that you follow the rules of this Legislature.

Mr. Speaker: That is exactly what I am doing.

An hon. member: You are not.

Mr. Smith: Why was the Sergeant at Arms at my desk?

Mr. Speaker: As I told you, the whole procedure is out of order and is not debatable.

Mr. Eaton: Why don't you listen?

Mr. Smith: So I am already named. Is that what you are saying, Mr. Speaker? Is there no appeal? Why was the Sergeant at Arms at my desk? This has nothing to do with the Minister of Consumer and Commercial Relations.

Interjections.

Mr. Speaker: It is not debatable. No, it is not. I am asking the minister, Mr. Walker, to withdraw his remark.

Hon. Mr. Walker: Mr. Speaker, I withdraw my comments about "slimy innuendo."

Mr. Foulds: Mr. Speaker, either there was a vote in progress or there was a meeting in progress.

Interjections.

Mr. Speaker: Order. Order.

Mr. Smith: Mr. Speaker, I want to know by whose authority the Sergeant at Arms came to tell me to leave this chamber. Answer that question. It has nothing to do with the Minister of Consumer and Commercial Relations. The Sergeant at Arms came to the desk of the leader of Her Majesty's opposition. I want to know by whose authority he came here and I insist on that.

Mr. Speaker: Order, order.

Mr. Foulds: Mr. Speaker, either a vote was in progress or this House should adjourn. You should get control of the House.

Interjections.

Mr. Smith: With whose authority did the Sergeant at Arms at my desk tell me to leave this chamber?

Interjections.

Mr. Speaker: Because of grave disorder, I hereby adjourn this House—

Mr. Smith: Oh no you don't!

Mr. Speaker: —and the House stands adjourned.

Mr. Speaker suspended the proceedings of the House at 4:46 p.m.

5:48 p.m.

The House divided on the Speaker's ruling, which was upheld on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea, Eaton, Eves, Fish, Gillies, Gordon, Gregory, Havrot, Henderson, Hennessy, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolyn, Lane, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Mitchell;

Norton, Piché, Pope, Ramsay, Robinson, Runciman, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman.

Nays

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Conway, Cooke, Copps, Cunningham, Di Santo, Epp, Foulds, Grande, Haggerty, Kerrio, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Newman, Nixon, O'Neil, Peterson, Philip;

Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Sargent, Smith, Spensieri, Stokes, Swart, Sweeney, Wildman, Worton, Wrye.

Ayes 57; nays 44.

Mr. Speaker: I declare the Speaker's decision upheld. Mr. Smith, you will please withdraw.

Mr. Smith left the chamber.

Mr. Speaker: Order. Mr. Walker, I would ask you to withdraw your remarks, please.

Hon. Mr. Walker: Mr. Speaker, on a point of privilege: Let me withdraw the comments I made that were considered to be offensive by the Leader of the Opposition, the reference to "slimy innuendo." I would unconditionally withdraw those. I note that I had done so before and it is on the record, but in the confusion it might have been overlooked.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, on a point of order: I would like to propose to the House that we continue with the routine proceedings, which have not yet been concluded, through this evening, and then proceed to the business that we had agreed upon for this evening, that is, consideration of legislation: Bill 20, followed by Bill 69, followed by Bill 67.

The House recessed at 5:53 p.m.

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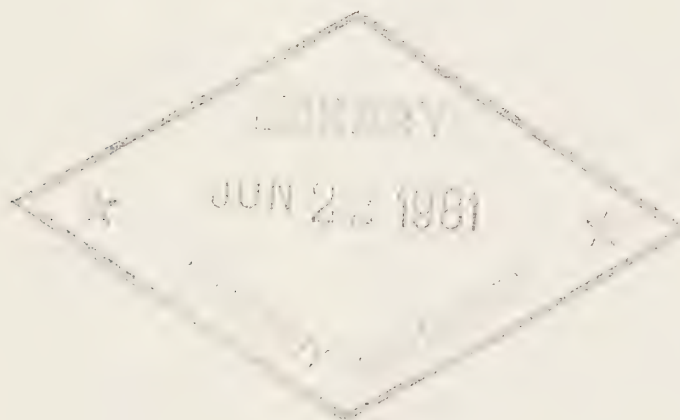
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No. 44

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, June 11, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 11, 1981

The House resumed at 8:01 p.m.

ORAL QUESTIONS (continued)

Mr. Speaker: I just want to remind all honourable members that we will carry on with the question period; and 28 minutes has been used up of the original 60.

Mr. Cassidy: Mr. Speaker, as I was about to say just before I was rudely interrupted, I hope you have drawn attention to the lack of attendance of the ministers in question period. I hope you have suggested to them that five hours is surely not too much to expect them to attend in here.

I have a question for the Minister of Education—

Mr. Roy: On a point of order, Mr. Speaker: Before we were so rudely interrupted by all the proceedings this afternoon, I think I was up on a supplementary, if you will recall.

Mr. Speaker: You indeed have the floor. Yes, there is no doubt of that. I thought maybe you were going to forgo that. This is the final supplementary, by the way.

Mr. Roy: That is right, Mr. Speaker; it was the final supplementary. I was very well prepared and my supplementary was to the minister who caused all the problems.

ASTRA/RE-MOR

Mr. Roy: If the minister has nothing to hide or cover up, as had been suggested earlier, why does he use his party's majority in committee to prevent further evidence to be brought forward on this Re-Mor matter? As my leader has suggested, if he is not prepared to use the committee system to investigate this matter, why has he not encouraged the government to set up a royal commission?

Finally, does the minister not feel he should give priority to protecting the citizens of this province against the wasting of their life savings, rather than protecting the government or civil servants if these people have been negligent?

Hon. Mr. Walker: Mr. Speaker, I think the government has demonstrated good faith by the fact that these matters are before civil courts, that discussions are continuing between us and

Ottawa and that we ourselves within the Ministry of Consumer and Commercial Relations have taken a number of steps to attempt to rectify the situation that may have existed, imperfect though they may be. I think the fact we have been able to do that shows our good intentions.

I should use this moment to tell the honourable member some of the things we have done within our own ministry in terms of improving areas that we thought were not perfect—areas we thought should be rectified from the point of view of making for a better registration and licensing system.

We now have much more extensive internal communications than we had before. This has been going on since last summer; so it has been in place a good 10 or 12 months now. We are holding many joint meetings now between the financial institutions branch, the business practices branch and the Ontario Securities Commission, which previously was not the case. We feel that we have tightened up in that regard and that things are better there now because of the internal communications.

We feel we have new systems in place for capturing potential problems and bringing them to the attention of top management and ensuring circulation wherever there is any kind of problem. So there is a lot of internal communication going on. We have much more frequent liaison with the police forces, and we find it is working well to turn up things and to share information. We have doubled our efforts in that regard. That has been going on since the spring of this year.

We have something called a supplementary information list, which is a special computerized list of people who might be considered problem people. This is circulated and updated on a daily basis. We have a much more extensive investigation process today. We feel that we have done an awful lot of things and, frankly, many of the things the member is suggesting are just not needed.

Mr. Cassidy: Mr. Speaker, I have a new question that I want to direct to whichever minister is responsible for the Premier's office in the absence of the Premier (Mr. Davis), the Deputy Premier (Mr. Welch) and the government

House leader (Mr. Wells). If that minister will identify himself, I will ask my question.

Who is in charge?

Hon. Miss Stephenson: Why don't you ask me?

Mr. Cassidy: The Minister of Education (Miss Stephenson) says she is prepared to stand in for the Premier.

Hon. Miss Stephenson: No, I am not.

Mr. Cassidy: Oh, you are not?

Hon. Miss Stephenson: You said that.

Mr. Speaker: Order.

Hon. Mr. Gregory: I am the deputy government House leader.

Mr. Cassidy: Mr. Speaker, I will ask a question of the deputy government House leader in the absence of the Premier.

Can we have a commitment that, to make this Legislature work effectively, to ensure that the rights of all the representatives of the people of the province are respected and to ensure that the concerns of people who feel—with justice, I believe—that they have been wronged because of the government's treatment of the Re-Mor affair are answered, the government now will undertake to find a means by which this Legislature can continue its investigation of the Re-Mor affair?

Can we have an assurance that, before this Legislature dissolves into further wrangles such as the one that kept this question period going for six hours and six minutes, the government will ensure that the Legislature will be able to continue the investigation of the Re-Mor affair?

Hon. Mr. Gregory: Mr. Speaker, in so far as the Re-Mor matters are concerned, I think the Minister of Consumer and Commercial Relations (Mr. Walker) has answered those questions. I am not prepared to make a commitment on behalf of the Premier, but I do think that any sort of disappointment on behalf of the opposition concerning the actions in the House today has been caused by the opposition.

Mr. Cassidy: Since the government has used Mr. Mercer, who I understand is a researcher for the Conservative Party, to direct the Conservative members on the justice committee in their successful attempts so far to prevent the committee from pursuing investigations into the Re-Mor affair, since the efforts to have my motion for a continuation of that investigation were blocked systematically, and since the government has refused to have a judicial

inquiry into the Re-Mor affair, is the government saying that it wants the kinds of things that have happened today to continue?

Alternatively, is the government prepared to co-operate with the opposition to find a way in which the Re-Mor affair can be pursued to a conclusion—if there are findings, we can make them public; if the government is to be exonerated, it can be exonerated; if it is to be blamed, it can be blamed—where we can get this matter sorted out without bringing the work of the entire Legislature to a perpetual halt?

Hon. Mr. Gregory: It seems to me that the leader of the third party is defining justice or nonobstruction as a willingness on the part of the government members to lie down and play dead. I believe that the members of the justice committee have been operating entirely in accord with the rules of this House. If the member requires information, then I expect the chairman of that committee will explain to him the rules of the House, if he does not understand them.

8:10 p.m.

I point out to the leader of the third party that no elected members of this House are under the direction of any staff member. Any directions that are given usually come by way of the Premier's office or the caucus office. The six members we have sitting on our committee have minds of their own, which is probably quite foreign to the members of the leader's own party. They are operating and behaving in accordance with their own conscience.

The member for Ottawa East (Mr. Roy) may well laugh. But how would he know, since he has never been here?

Mr. Speaker: Order.

Hon. Mr. Gregory: The member has never been here. I occasionally go down there and pay a visit to the justice committee. I think if the member went down to the justice committee, they would not know who he was.

I would like to introduce the member for Ottawa East to my back-bench members, in case they have never met him. He only comes on Tuesdays and Thursdays.

Mr. Speaker: Order. Will the minister address the question, please?

Hon. Mr. Gregory: As I was saying to the leader of the third party before I was interrupted by the not-often-here member for Ottawa East, I can only assure the leader of the third party that the members of the justice committee have been behaving in accordance with the

rules of this House. If he has anything to add to that, he is quite welcome to do so. I would like him to point out to me in what way the members of the Conservative caucus have misbehaved on that committee. To the best of my knowledge, they have totally behaved.

Mr. Bradley: Supplementary, Mr. Speaker: The minister made reference to the fact that the member for Ottawa East was not present at the meetings. We were certainly pleased to see the chief government whip at the back of the room quarterbacking events within the committee.

My question to the minister is this: Does the minister not realize that not only is he forcing the Progressive Conservative members of the committee to acquiesce to the wishes of certain cabinet ministers that this matter be kept under wraps, but he is also making them active accomplices—

Mr. Roy: Cover-up is what it is called.

Mr. Bradley: —in the cover-up that has been taking place for the past several months? Does he not realize as well that as a result of the tactics employed yesterday in the justice committee, the member for Cochrane North (Mr. Piché) was prevented from asking the kind of questions that he wanted to ask on that vote as well?

Hon. Mr. Gregory: Mr. Speaker, I am flattered that the member for St. Catharines noticed that I took time to attend the odd justice committee meeting, which I found to be the best comedy show in town. I like to go down there once in a while when I am feeling blue to get a laugh or two, and the member certainly provides it.

As far as the member for Cochrane North is concerned—he is one of my whips, as a matter of fact; the member might want to find fault with him because of that too—he has never been instructed to not ask any questions. Certainly it has been my policy as the whip to encourage the members to take ministers by surprise by asking them questions. I am sure that if the ministers can handle questions from our back-benchers, they can certainly handle them from the opposition members.

Mr. Swart: Supplementary, Mr. Speaker: Recognizing that at least the members on this side of the House feel one of the main functions of the committee ought to be to ensure that there is going to be compensation for the victims of Re-Mor, and recognizing that the Premier said on several occasions during the election that the government would compen-

sate the victims if legal negligence were proved, I am sure the member is aware from the time that he has sat in the committee that there is no forum or no court at this time to determine whether there is legal negligence on the part of the government.

What does the minister think his government should do now to determine that legal negligence? Does he not think his time would be better spent trying to find a way to do it rather than sitting in that committee whipping his back-benchers into line?

Hon. Mr. Gregory: Mr. Speaker, the member for Welland-Thorold may find some reason to ridicule the whip of the government party. I can only assure him that I am doing my job. I wish he would do his job as well.

I think the Minister of Consumer and Commercial Relations has answered the honourable member's questions. If it is the member's intent to ridicule me because I am doing my job as the whip, perhaps the member for Windsor-Riverside (Mr. Cooke) or the member for Wellington South (Mr. Worton) can explain to him what the job of whip is, as he obviously does not understand. And if he is expecting an apology from me for doing my job as the whip, then I am afraid he is going to have to wait a while.

CENTENNIAL COLLEGE

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Colleges and Universities with respect to Centennial College, which has fired 47 of its 294 workers in the unit of the Ontario Public Service Employees' Union and whose labour practices are so unfair that it has now led the president of OPSEU, the president of the Ontario Federation of Labour, the secretary of the OFL and the president of the Metro Labour Council, in addition to two of the workers involved, to sit in the president's office.

In view of the fact that Centennial College has decided to put workers, some of whom have 10 and 15 years of experience, out in the street as a consequence of its decision to contract out, will the minister indicate that the government is opposed to that kind of unsavoury labour practice and will the minister intervene to save the jobs of the workers who have now been given layoff notices?

Hon. Miss Stephenson: Mr. Speaker, the decision that was taken in the instance of Centennial College was entirely that of the board of governors of the college. As a matter of fact, we intervened in the matter about 10 days

ago and have convened meetings, which are being held even now, in an attempt to find a resolution to the problem that will relieve some of the concerns expressed by the leader of the third party and certainly by those who have been employed by the college.

Mr. Cassidy: Will the minister indicate whether she believes the practice at Centennial of putting people out into the street after many years of service is an acceptable one? Does she not agree with the New Democrats that it is an unsavoury practice that should not be encouraged or condoned in Ontario?

In particular, since Centennial College is financed from provincial funding, since the labour agreements in force at Centennial are negotiated by the council of regents, which is a provincial agency, and since the workers there are almost all over the age of 40 and some of them will be condemned for the rest of their working lives to either poor jobs or no jobs as a consequence of this decision, will the minister indicate that the government will use its powers through the council of regents to tell the community colleges that this kind of labour practice is unacceptable and must stop?

Hon. Miss Stephenson: I believe the leader of the third party is attempting to suggest that, in the midst of labour-management negotiations that are going on throughout the college system, I should make a statement about contracting out, its rightness or its invalidity, in terms of the function of community colleges.

I do not intend to do that, nor will I do that at this point. All I will reiterate is that the council of regents, through the instigation of the minister's office, has been attempting to assist in the negotiations at Centennial College specifically and to maintain the negotiations that are going on throughout the entire college system.

8:20 p.m.

Mr. Cassidy: The minister used to be the Minister of Labour. She is now the Minister of Colleges and Universities. Can I give her one of the cases of the workers affected? Mr. Kovacs, aged 60, a man who has been with Centennial for 15 years, now is being offered an early retirement at \$200 a month because the college has decided to contract out.

Answering yes or no, does the minister consider that to be acceptable behaviour on the part of Centennial College, or does she believe that it is unacceptable behaviour and should not be allowed?

Hon. Miss Stephenson: The leader of the third party knows very well that one could not answer that question with a yes or no, nor will I attempt to.

ASTRA/RE-MOR

Mr. Bradley: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations that relates to several Hansards in the past. It concerns the allegations published in Bimonthly Reports, which in summary had pointed to a record of consistent failures on the part of the Ontario Securities Commission with regard to the Astra/Re-Mor affair.

The minister will recall that we first brought the matter to his attention on April 30, fully six weeks ago today. We also sought an answer from him on May 11 and on May 19. Today is June 11. Does the minister have an answer to these allegations? If not, why not?

Hon. Mr. Walker: Mr. Speaker, I responded on May 11, I believe it was, to a question posed by the honourable member's leader. The response I gave was that in due course, once the Ontario Securities Commission had responded, I would share the information with the members. Do not expect me to respond to the actual allegations made; the Ontario Securities Commission would be the appropriate party to respond in this case.

I said that, as soon as I had the response from the Ontario Securities Commission, I would share it with the members. I said the Ontario Securities Commission "in due course, I am sure, will have a response for the honourable member. I will be glad to provide that response once the moment arrives and it arrives." That has been my position throughout. It is not that I have been delaying the answer.

The Ontario Securities Commission have not as yet responded fully to the allegations. There were pages and pages of allegations, which I described in a certain way one day when they posed the question; they are filled with a number of varying kinds of half-truths, part truths, whole truths, in some cases inaccuracies and in others, accuracies.

The newspaper document on which the honourable member based some comments is being evaluated by the Ontario Securities Commission. I suppose they are doing it in reflection of the fact that there are civil and criminal proceedings and, cognizant of those, they will respond in due course such that I hope will not jeopardize the cases that are before the courts.

Mr. Bradley: Does the minister not agree that

six weeks is a fair amount of time to allow the Ontario Securities Commission to reply to these allegations through the minister to the House? Does the minister not take responsibility for the Ontario Securities Commission, as it comes under his ministry, even though on many occasions, particularly earlier in the year, it tried to deny that it had anything to do with his ministry, and that was perhaps understandable.

Will the minister not agree that six weeks is a rather long time to answer allegations of this kind, which are very important? Will he not agree that the Ontario Securities Commission should be more than happy to clear itself, if indeed it is clear, of the charges that have been made in this House through that publication?

Hon. Mr. Walker: I will certainly bring to their attention tomorrow that it has been some six weeks and that the member is anxious to have a letter or a response to it. I will see that is brought to their attention, without question.

Mr. Speaker: A new question; Mr. Di Santo.

Mr. Di Santo: No, thank you, Mr. Speaker.

Mr. Speaker: A new question; Mr. Breough.

Mr. Eaton: He has been trying to get a question for two weeks.

Mr. Breough: The rump is rising over there. I think it is passing gas.

OMC EVICTIONS

Mr. Breough: Mr. Speaker, I have a question for the Minister of Housing concerning a project owned by the Ontario Mortgage Corporation in Oshawa and known as Briar Gate II at 1333 and 1331 Mary Street North.

Can the minister explain to the House why the Ontario Mortgage Corporation now is in the process of evicting tenants to facilitate its own efforts to profit from speculation in the housing market?

Hon. Mr. Bennett: Mr. Speaker, excuse me, I did not hear the last part of the question.

Mr. Breough: Can the minister explain why the Ontario Mortgage Corporation now is in the process of evicting tenants from the Briar Gate II project in Oshawa to facilitate its own efforts to profit from speculation in the housing market in Oshawa?

Hon. Mr. Bennett: Mr. Speaker, it is rather interesting that this question comes from the member for Oshawa. Just a week or so ago he was questioning why Ontario Mortgage Corporation and Canada Mortgage and Housing Cor-

poration were trying to dispose of some of their units and asking for unusual prices and allowing people to make certain profits.

Very clearly, most of the units that OMC happens to be renting at this time are from contractors who took mortgages with the corporation and for one reason or another had to forfeit them because they were unable to sell the units, and as a result they became the property of the OMC.

When we put these units on the market for sale, our tenants were given the opportunity to purchase them. I think the member for Oshawa will attest to the fact that some of the tenants exercised that opportunity to purchase units at rather realistic prices and at a very realistic mortgage rate in relation to mortgage rates on the market today.

I do not know the specifics or the individuals in the case mentioned by the member, but I will be delighted to review the specific addresses and apartment units if he wishes to supply them to me. I will find out whether those individuals were given the opportunity to buy the units. To the best of my knowledge, they were given that opportunity and likely did not exercise it.

Mr. Breough: In his response, the minister begs for a little argument, but I will forgo that for now.

Will the minister explain to us why he was begging people more than a year ago to become tenants in these particular units, and now he is serving them with notices under the Landlord and Tenant Act to get out, never mind offering them a chance to purchase? More than a year ago he was dying for people to go into these units and rent them. Now he is booting them out. Why is he doing that?

Hon. Mr. Bennett: The member likes to use a very interesting vocabulary, "booting them out." The OMC is not any different, I believe, from any other financial institution. We try to facilitate the opportunity for people to purchase units at a realistic interest rate—very much so.

If the member wants to give me the facts and figures about the individuals he is speaking of tonight, and attests to the fact that they have not been offered the opportunity to purchase the units with an interest rate of something like 10 1/2 per cent interest, which I think is rather a favourable position in today's market, then I will be delighted to look into it.

But I want to make it very clear that it is has not been the OMC's intention to boot anyone out. While we looked for tenants because the

units were vacant, it was indicated very clearly that when the market conditions were such, they would be offered to them for sale.

The units were offered to them for sale at the time they were put up for rental, and there were no takers, because the market did not indicate that the prices we were asking were fair and legitimate prices in relation to the cost of construction and the cost of the mortgage we had on them. While they did not take them, a number of people have indicated clearly over the last number of months that they are interested in buying those units. We offered them for sale, and the tenants in the building were offered the first opportunity and the first right of refusal.

Mr. Breagh: If the minister wants specifics, here is one for apartment unit number 33, at 1333 Mary Street North. It is a form 2 under the Landlord and Tenant Act, and under "Particulars" it says the landlord is offering the aforesaid condominium unit for sale and requires vacant possession. That is pretty damned close to booting people out in the street.

Hon. Mr. Bennett: No, it is not close to booting people out in the street, not at all, and the member knows very well it is not.

It is interesting to see the member sitting there and criticizing. He is the same fellow who was criticizing a week ago because CMHC offered some units for sale in his community and in the city of London. He criticized them for the price they were charging and said there was favouritism played in that deal.

I want to say to the member for Oshawa that he knows very well there was no favouritism, because those units were advertised on a rather wide basis for availability, first to the tenants and second to the market. He cannot talk about favouritism when something is advertised in the *Globe and Mail* and two or three of the other national newspapers.

We are not booting our tenants out, nor do we intend to boot them out. We offered them the first opportunity to purchase. The building is a condominium building. Condominiums were never intended, as the member for Oshawa well knows, to get into the rental operation; but because of an adverse market situation, that is what happened to them. When the market turned around, OMC tried to sell the units, as private individuals and private corporations have done.

In most cases, and I repeat again in this House—

Mr. Foulds: So you are going to sell them in a block.

Hon. Mr. Bennett: The member can shake his head, but he should make sure it does not fall off. I say very clearly that the opportunity was offered to the tenants to buy those units.

8:30 p.m.

INTEREST RATES

Mr. Epp: Mr. Speaker, I have a question for the Minister of Housing. Given the fact that the central bank rate was 19.1 per cent a week ago and it has now dropped 0.03 per cent to 19.07 per cent; given the fact there are many prospective home owners in this province who could very well use some assistance from the province to purchase homes, because they are inclined to purchase homes; and given the fact that seven provinces in Canada give assistance to home owners for purchasing homes, including Newfoundland, Nova Scotia, New Brunswick, Quebec, Manitoba, Alberta and British Columbia; and given the present interest rates, what is the Ontario government prepared to do for prospective home buyers in Ontario to purchase homes?

Hon. Mr. Bennett: Mr. Speaker, we have an interest rate that is, I suppose, perpetrated upon us by the federal government.

Some hon. members: Oh, oh!

Hon. Mr. Bennett: I expected that. I trust that the member for Ottawa East (Mr. Roy), who spends a little bit of time in the city of Ottawa, will appreciate that interest rates are really a national subject and are not set by individual provinces. As long as he gets that understanding, he will be pretty well set to understand what goes on in the mortgage market in this country.

I have said clearly that when one starts tampering, trying to change the interest rate factors relating—

Mr. Roy: Not too fast, Mr. Minister.

Hon. Mr. Bennett: The member should not worry; it would not take very much to keep up to him.

Mr. Speaker: Just address yourself to the question, Mr. Minister.

Hon. Mr. Bennett: I would never shake a finger at him; that is his leader's way of doing things. He forgets there is a nail on the end of it.

I say very clearly to the member who asked the question that once one starts—

Mr. Kerrio: The Tories are heartless.

Mr. Speaker: Order.

Hon. Mr. Bennett: If the Tories in Ontario are heartless, the supreme leader has to be the Liberals in Ottawa.

Mr. Speaker: Mr. Minister, will you please ignore the interjections and answer the question?

Hon. Mr. Bennett: Mr. Speaker, it is very difficult to ignore those interjections when they have some degree of—no, I will not say it.

Mr. Roy: Answer the question.

Mr. Speaker: Order.

Hon. Mr. Bennett: Yes, I will. I have said very clearly, and I will repeat here again tonight, that once we start into the field of trying to subsidize or support—

Mr. Breithaupt: Seven other provinces, including—

Mr. Speaker: Order.

Hon. Mr. Bennett: Will the member for Kitchener (Mr. Breithaupt) please just sit and listen for a moment and not cause the same confusion tonight as was tried this afternoon?

Once one starts to get involved in trying to support or falsify interest rates, and that is what we achieved through the assisted home ownership program and a few others—

An hon. member: Oh, oh!

Hon. Mr. Bennett: The member says, "Oh, oh." That is exactly what we did; we wrote them down and put people into a false position of security. Frankly, it is fine to talk about what British Columbia and a few of the other provinces are doing. They have very limited programs—some of them to the point where they are talking about 600 units in a province. Specifically, what they are talking about in New Brunswick is 600 units.

British Columbia talked about a program that went out of existence on June 1 of the current year, and it related only to certain units. They had a composition in the building materials of a certain percentage of BC lumber that was used in those particular units. There are a number of reasons or qualifications for provincial government support in some of those programs.

I have said very clearly to my government, I have suggested to the Chairman of Management Board (Mr. McCague), the Premier (Mr. Davis) and the Treasurer (Mr. F. S. Miller) that if we are about to start interfering with interest rates—I trust we are talking not only about new units but also about people renewing mortgages, who could come to us with the same song and dance, that they are having difficulty, and understandably so—

Mr. Cassidy: Song and dance?

Hon. Mr. Bennett: I said exactly that. They come with an indication that they have a problem—

Mr. Cassidy: I don't believe it.

Hon. Mr. Bennett: Will the member for Ottawa Centre sit down for a minute? He has a unit in Ottawa Centre too that could be looked at from a value point of view.

Mr. Speaker: Will the minister get back to answering the question?

Hon. Mr. Bennett: Mr. Speaker, if we are about to get involved in writing down interest rates, I do not think this government could afford the type of thing the member is asking about. I am not about to suggest it, because I believe it is a further falsification and offering a false sense of security to some property owners or purchasers for the future. That, I think, will put us into the same position we are in with some of the assisted home ownership program units today, where they are facing extreme difficulties and giving up their units.

REPORT

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven, from the standing committee on administration of justice, reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of the Solicitor General be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$3,067,000; public safety program, \$11,077,000; supervision of police forces program, \$7,703,000; Ontario Provincial Police management and support services program, \$29,970,000; operations program, \$108,091,000.

MOTION

HOUSE SITTINGS

Hon. Mr. Wells moved that the House be authorized to sit the afternoon of Wednesday, June 17, 1981, at 2 p.m.

Motion agreed to.

INTRODUCTION OF BILLS

HIGHWAY TRAFFIC AMENDMENT ACT

Hon. Mr. Walker, on behalf of Hon. Mr.

McMurtry, seconded by Hon. Mr. Drea, moved first reading of Bill 104, An Act to amend the Highway Traffic Act.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, the bill would remedy a problem that has arisen recently with respect to the driver improvement program in Metropolitan Toronto. The program is intended to allow a person convicted of certain driving offences to receive a lower fine if he attends a driver improvement course.

Until recently the practice of the courts was to impose the suspended fine at the time of conviction on the condition the person attend the course. The Court of Appeal, however, has ruled the language of the existing legislation requires that the fine not be imposed until after the course has been attended. This means the defendant must appear in court twice—once to be convicted and once to be sentenced.

Requiring a second court appearance is an unnecessary and time-consuming step that causes great inconvenience to a citizen. The purpose of this bill is to eliminate the need for a second court appearance. It will allow the courts to return to their previous practice of imposing a suspended fine at the time of conviction.

I trust all members of the House will join in giving quick approval of this bill.

JUDICATURE AMENDMENT ACT

Hon. Mr. Walker, on behalf of Hon. Mr. McMurtry, seconded by Hon. Mr. Drea, moved first reading of Bill 105, An Act to amend the Judicature Act.

Motion agreed to.

8:40 p.m.

Hon. Mr. Walker: Mr. Speaker, this bill has two purposes. First, it permits one additional judge to be appointed to the Ontario Court of Appeal. An additional judge is necessary to cope with the court's steadily increasing case load.

Mr. G. W. Taylor: There's a job for you, Albert. But are you available daily?

Mr. Speaker: Order.

Hon. Mr. Walker: This is a Monday and Friday bill, so it would be a conflict. Secondly, and more seriously, the bill allows the government to fix the number of judges in the High Court by regulation. This will enable the government to respond more quickly to changes in the court's requirements. Both of these changes are intended to increase the efficiency of the

Supreme Court of Ontario. I trust that all members of the House approve this objective and will give quick approval to the bill.

COUNTY COURTS AMENDMENT ACT

Hon. Mr. Walker, on behalf of Hon. Mr. McMurtry, seconded by Hon. Mr. Drea, moved first reading of Bill 106, An Act to amend the County Courts Act, 1981.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, the County Courts Amendment Act, 1981, would increase the monetary jurisdiction of the county and district courts. The last increase took place in 1970 when the limit was set at \$7,500. A new limit of \$15,000 would reflect the 1981 economic significance of the previous limit. Increasing the jurisdiction of the county courts will result in faster service for litigants, particularly outside Toronto, since it will enable county court judges to hear some cases that would otherwise be brought in Supreme Court. I trust that all members of the House will approve this objective.

POLICE AMENDMENT ACT

Hon. Mr. Walker, on behalf of Hon. Mr. McMurtry, seconded by Hon. Mr. Drea, moved first reading of Bill 107, An Act to amend the Police Act.

Motion agreed to.

Hon. Mr. Walker: Mr. Speaker, the act to amend the Police Act is basically similar to the act that was introduced once before in this House and the statement given at that time will be applicable today.

PARKING FACILITIES FOR THE HANDICAPPED ACT

Mr. Kennedy moved, seconded by Mr. Lane, first reading of Bill 108, An Act to provide Parking Facilities for Physically Handicapped Persons.

Motion agreed to.

Mr. Kennedy: Mr. Speaker, this bill is a reintroduction of a bill, the purpose of which is to ensure that parking facilities are made available to physically handicapped persons across Ontario.

ASSESSMENT AMENDMENT ACT

Mr. Kolyn moved, seconded by Mr. Harris,

first reading of Bill 109, An Act to amend the Assessment Act.

Mr. Epp: Where is Mr. Harris?

Mr. Conway: On a point of order, Mr. Speaker: I am sure the member for Lakeshore would like to have one of his colleagues here present second his very good motion.

Mr. Epp: Get Lorne Henderson.

Mr. Barlow: I will second it.

Mr. Speaker: Mr. Kolyn moves, seconded by Mr. Barlow, that leave be given to introduce a bill entitled An Act to amend the Assessment Act and that the same be read the first time.

Motion agreed to.

CONDOMINIUM PROPERTY MANAGEMENT FIRMS ACT

Mr. Kolyn: Mr. Speaker, I move, seconded by Mr. George Taylor, that leave be given to introduce a bill entitled an Act to register Condominium Property Management Firms and that the same be now read for the first time.

Mr. Speaker, I would like to make an explanatory note on the first bill. I would like to change that to Mr. George Taylor seconding my motion.

Mr. Speaker: Mr. Kolyn moves, seconded by Mr. Taylor, that leave be given to introduce a bill entitled—

Mr. Foulds: He is not in his seat.

Mr. Speaker: There is nothing in the standing orders that says he has to be in his seat.

Mr. Stokes: Mr. Speaker, anybody has to be in his seat to participate in the proceedings of this House. The Clerk of the House has been coaching all along on that very subject. If he wants to change the rules to accommodate the people over there, let it be on his head. He has been getting away with murder for a long time here. He is the one who got the Speaker into trouble this afternoon.

Interjections.

Mr. Speaker: Order. Mr. Kolyn moves, seconded by Mr. Taylor, that leave be given to introduce a bill entitled An Act to register Condominium Property Management Firms and that the same be now read the first time.

Motion agreed to.

Mr. Speaker: I just want to make it clear that was Mr. Taylor from Simcoe Centre.

Mr. Foulds: He is in his seat now. Has he ever heard of the rules of the House? Those guys just think it is a big joke.

Interjections.

Mr. Speaker: Order, order.

ORDERS OF THE DAY

PERSONAL PROPERTY SECURITY AMENDMENT ACT

Hon. Mr. Walker moved second reading of Bill 20, An Act to amend the Personal Property Security Act.

Mr. Swart: Mr. Speaker, we have no objection to this bill. I accept the comments of the minister when he introduced the bill and the more detailed explanatory remarks which have been submitted with the bill. However, I had a question to raise on this bill and I contacted some of his staff. It pertains to whether there should not be a reciprocal clause in the Corporation Securities Registration Act.

The purpose of this bill, as I understand it, is to implement a policy whereby action taken under the Corporation Securities Registration Act which should have been taken under the Personal Property Security Act is not null and void. There is some real overlapping between the two. I appreciate this, but this bill before us goes only one way. It only eliminates that overlapping in one direction. Therefore, there should also be a clause which would cover the Corporation Securities Registration Act so that any legislation passed under it would not be null and void because it had been passed under the wrong act.

I was told by the staff there would be an amendment brought forward to implement that reciprocal arrangement. I do not know where the minister is, but I am wondering if he is prepared to submit that or if he has any comments on it at this time. I would think we should have that information before we give second reading to this bill.

8:50 p.m.

Mr. Breithaupt: Mr. Speaker, this bill has come forward this evening suddenly, but we were aware of the need to have this amendment brought in so that there would not be confusion with respect to registration of one item under the wrong statute, which might cause a lack of security for those involved. We certainly have no objection to this bill passing promptly.

I would also like to hear the response with respect to the question raised by the member for

Welland-Thorold as to whether it is necessary to have a companion amendment to protect registration under the other statutes in the same form as in this circumstance.

The Deputy Speaker: Any further discussion?

Mr. Foulds: Mr. Speaker, I do not wish to speak on the bill, but who is piloting it through the House for the government?

The Deputy Speaker: Mr. Foulds, that is a very interesting question. I am under the impression it is the Minister of Consumer and Commercial Relations (Mr. Walker).

Mr. Swart: He introduced it.

The Deputy Speaker: Oh, it is the member for Carleton (Mr. Mitchell).

Mr. Foulds: As parliamentary assistant, he is piloting the bill through the House.

Mr. Breithaupt: It is always nice to know.

The Deputy Speaker: Do we have any further discussion? No further discussion. The member for Carleton, as parliamentary assistant to the Minister of Consumer and Commercial Relations.

Mr. Mitchell: Mr. Speaker, if I may, the honourable Minister of Consumer and Commercial Relations in his statements on first introduction pointed out that there are at present two provincial regulatory statutes applying to security interest. One is the Personal Property Security Act and the other the Corporation Securities Registration Act. Each act has its own registration and this has created some ambiguity in the courts and even recent judicial decisions have not been able to clarify the situation. In fact lawyers have had difficulty determining under which act they should register security documents. In some cases, documents have been filed under the incorrect act.

This particular bill is a Band-Aid treatment, as has been stated by the minister on his first presentation, because it is fully intended that a rewrite will be accomplished by July 1982, which I suppose will have the effect of combining both acts. But this bill effectively will recognize that registration under one act will be recognized as being registration under both.

Mr. Swart: You did not answer the question.

Mr. Mitchell: I am sorry. I may have missed the question.

The Deputy Speaker: Since we are trying to get back together here, Mr. Swart had one question and we will allow the parliamentary assistant to respond.

Mr. Swart: Does there not need to be a companion clause under the Corporation Securities Registration Act if we are going to eliminate completely this invalidity of certain registrations?

Mr. Mitchell: I am assured it does not. It would be very nice to tidy it up. There could be one final little amendment line, but it is not going to affect the gist of this bill. What the member has been talking about is correct, but it is not absolutely necessary to make sure—

Mr. Swart: But it still leaves a gap.

Mr. Mitchell: No, it recognizes that a document registered under either is considered to be registered.

Motion agreed to.

Ordered for third reading.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT

Mr. Rotenberg, on behalf of Hon. Mr. Wells, moved second reading of Bill 69, The Ontario Unconditional Grants Amendment Act, 1981.

Mr. Rotenberg: The primary purpose of Bill 69 is to implement the revised municipal grant payments and apportionment procedures which were announced by the Minister of Intergovernmental Affairs (Mr. Wells) in January 1981.

A secondary purpose is to change terminology which created compliance problems for some municipalities.

The proposed amendments will minimize the shift in tax burden between various municipalities which would otherwise occur as a result of the new equalization factors. They will also provide increased funding to those municipalities experiencing the greatest financial pressures while protecting the financial position of those municipalities which would otherwise be adversely affected by the revised programs.

In summary, the bill proposes: To make reference to "the latest returned assessment roll" instead of "the last revised assessment roll;" to increase the police grant by \$2 per capita; to provide for the use of the 1979 equalization factors for equalizing merged area assessments for cost-sharing purposes in those municipalities not yet having undergone a section 86 reassessment; to make changes to the resource equalization grant procedures; to exclude the resource equalization grant equivalent assessment for apportionment purposes except in the cases of district homes for the aged and district welfare boards; and to reinstate

provisions for regulations regarding alternative apportionment methods and the payment of apportionment guarantee grants.

These proposed changes have been formulated in consultation with the Association of Municipalities of Ontario, the Association of Counties and Regions of Ontario and the Rural Ontario Municipal Association.

I realize this is a somewhat complex bill and I am pleased that our staff were able to give some briefing to the opposition critics. However, because of the complexity of the bill, I feel I should give some details of the various aspects of the act.

At present the act makes reference to "last revised assessment roll." The revised assessment roll is not available until all appeals have been determined, which in the case of a large municipality or in municipalities undergoing a section 86 reassessment may be some years. The last returned assessment roll is thus the most current, up-to-date roll and is in fact the roll that is equalized by the Ministry of Revenue.

Municipalities now apportion costs and determine levies based on the last returned assessment roll. Therefore the change in the act changing the word "revised" to "returned" will rectify and assist in compliance problems with municipalities.

The per capita police rates are in sections 2, 3 and 4 of the bill. On January 22, 1981, the government announced the \$2 increase in the police per capita grants, bringing the rates to \$17 where a regional police force exists and to \$12 for municipalities having their own police force or wholly under contract to the Ontario Provincial Police. The proposed amendment will assist municipalities to cope with rapid increases in police costs.

The \$2 increase in the police per capita grant rates contained in the bill will mean a 20 per cent increase in the grants to municipalities providing their own police force or under the OPP and a 13 per cent increase to regional municipalities having a regional force.

I now turn to cost sharing in municipalities with merged areas, which is section 6 of the bill. In some regions where merged areas exist within an area municipality, a further cost sharing within that municipality of the regional levy is now being done to take account of different assessment levels in different parts of the merged area. The use of new equalization factors for cost sharing among merged areas would cause further tax shifts.

The proposed amendment in this bill pro-

vides for the use of the frozen equalization factors—that is, those in use prior to 1980—for the sharing of costs only among merged areas until section 86 is implemented. This will ensure that merged areas will experience tax shifts only once when they implement section 86 and not twice—that is, when the new factors are brought in and then again when section 86 is implemented.

9 p.m.

Section 7 of the bill deals with resource equalization grants. A number of changes are proposed to accommodate the use of new equalization factors for grants and cost sharing without causing abrupt changes in municipal taxes. The bill provides that the grants and apportionment formulas be in regulation while these changes are being phased in. The application of the updated equalization factors brings local assessment values in total to a rough equivalent of market value.

In actual practice, municipalities raise on average only half the tax on residential properties as they do on commercial properties of equal market value. The bill proposes to modify the resource equalization grant formula by discounting residential assessment to more accurately reflect actual assessment practices in municipalities around the province. Without this discount, there would be significant shifts in the grant from mainly residential areas towards municipalities with higher proportions of commercial assessment. I think we would all agree that the purpose of grants is not to make these kinds of shifts.

The bill also includes a limit on the amount of resource equalization grant increase. For 1981, each municipality will be limited to an increase by regulation of \$7 per capita above the 1980 regulation. This has already been announced by the minister and has already been discussed with the municipalities, as I indicated.

In 1980, the limit increase was \$10 per capita. As a result, the cumulative effect of these two years has been to permit an increase in the resource equalization grants of \$17 per capita since 1979.

The bill would also allow the payment of protection grants to municipalities which would otherwise experience reductions in their grants due to the new formula and the unfreezing of the equalization factors. In short, we will ensure that no municipality will receive less in resource equalization grants in 1981 than in 1980 as a result of this program.

The treatment of the region or county share

of the lower tier municipality's resource equalization grant payments for cost sharing purposes are to be simplified. Previously, the resource equalization grant of a lower tier municipality was converted to assessment and included in calculating that municipality's share of county or regional costs. The lower tier municipality receiving a resource equalization grant, therefore, increased its share of shared upper tier costs, and this was offset by subtracting the resource equalization grant for upper tier purposes from the specific lower tier municipality's levy.

This bill will require the region or county to treat the portion of the resource equalization grant paid to it as general revenue of the upper tier and at the same time the grant received by the lower tier municipality will no longer be converted to assessment to determine that municipality's share of regional or county costs.

This will simplify the apportionment calculation and result in minimal effects on municipalities. The only sharing of costs which will not be simplified will be those involving district welfare boards and district homes for the aged in northern Ontario. In these cases, the absence of an upper tier level of local government precludes the implementation of the changes and, therefore, the mechanism currently in force will be retained.

The bill further provides for regulations similar to those in last year's bill to provide for the cost-sharing system in counties or regions. Previously, these were specified in the municipal act and separately in each regional act, but the provision in those acts, combined with the new equalization factors, would cause too great a shift in tax burdens in most cases. These methods of cost sharing will provide for discounting residential assessment within each county or region. The bill will also allow the payment of protection grants to ensure that no municipality will incur a tax increase as a result of the alternative methods.

In summary, measures contained in the bill coincide with our policy of maintaining adequate indicators of municipalities' resource capacity through the use of new equalization factors and residential assessment discount and will help to alleviate financial pressures being experienced by municipalities. As I indicated previously, the proposed changes have been formulated in consultation with the Association of Municipalities of Ontario, the Rural Ontario Municipal Association and the Association of Counties and Regions of Ontario.

I commend this bill to the House and ask for its adoption.

Mr. Epp: Mr. Speaker, I want to compliment the parliamentary assistant for making so much sense and for clarifying for the whole House—because I noticed that everybody in here was so attentive and listened to every word he said—and putting in simple terms this very complicated subject.

I am sure that if I asked him to repeat that in his own words he could do it. But this afternoon in about five minutes he decided to write down exactly what he read now.

I am trying to be a little facetious. The point I am trying to make is that every year, year after year, in this House we keep getting back bills to simplify resource equalization grants, transfer payments to municipalities, police grants and everything else, and every year the ministry makes it more complicated not only for their own personnel but also for the members of this Legislature. Even more important, they make it more complicated for the people of Ontario; so they do not know what the hell is going on in the province with respect to transfer payments to municipalities.

I doubt very much—and I say this in all sincerity—whether there are 10 people in this province who actually understand what is going on in that ministry, including the parliamentary assistant; because as I say, with all due respect, I bet he could not tell us in simple terms what is going on and the kinds of things he has just been saying.

The ministry has an obligation to get off its backside one of these years and start rectifying the complicated system it has developed over the last 150 years. The people of Ontario do not understand it, and they should try to understand it; but they cannot, because the more complicated it gets the more remote the people get from what is happening there.

I am getting more and more upset every year because of what is going on. I have asked them personally and I have asked them at meetings to try to straighten this whole mess out.

They have got us into a mess over the years: freezing factors, unfreezing factors; transfer payments to some municipalities and not to other municipalities; resource equalization grants at some levels to some municipalities and at other levels to other municipalities; police grants at \$12 to some municipalities and at \$17 to other municipalities. The kinds of things they are doing make no real sense.

Let us look, for example, at the state they got themselves into a few years ago. They proposed that a committee investigate assessment reform

in the province. They had the Smith committee, which was established in 1965 and brought in a report in 1967. They had committee after committee study it, and they spent millions and millions of dollars of taxpayers' money to try to rectify the situation.

When they finally got what they thought was a meaningful formula to correct it they then sacked the whole program the day after proposition 13 was defeated in California; they threw away millions of dollars of research and studies and everything else, and decided they were not going to have any reform.

The situation became so acute, particularly in Cambridge, a neighbouring community, that people in one area whose properties had a market value of \$60,000 were paying \$800 in property taxes, while people in another area of the same municipality whose properties had a market value of approximately \$60,000 were paying perhaps \$1,600 in taxes. I am sorry the member for Cambridge (Mr. Barlow) is not here—unless he is in the wrong seat; no, I do not see him there. He knows the kinds of problems they had in Cambridge.

The people got so upset that finally they had to bring in section 86, which then equalized assessments within categories. This was the initial project to try to rectify similar discrepancies across the province.

By now about 100 or 135 municipalities have adopted section 86, but there are still a lot that have not. My own municipality of Waterloo, which I would say is one of the finest municipalities in this province and in this country—and the ministry knows it—still has not adopted section 86 for various reasons, despite the fact that all of the six other municipalities in the same region have adopted section 86.

9:10 p.m.

Let us look at one of the other things. Let us look at the police grants they propose. I am not going to speak very long on this, because a number of other people want to speak. For years the police grants were \$10 and \$15. Municipalities that were nonregionalized—cities like London, Windsor, Kingston and others as well as the small municipalities of 500, 1,000, 2,000 or 3,000 people—were all treated to the same \$10 per capita grant from the province.

Those municipalities that went along with having a region—Waterloo and Kitchener et cetera did not have any alternative, because the government imposed it on them—such as St. Catharines, Hamilton, Oshawa, Ottawa, Sudbury, Halton, Peel, Haldimand, Norfolk and

what have you, got a little bonus. They got \$15 on a per capita basis. It was quite obvious. They had to get \$15, because to impose the whole additional cost on a local municipality would have been completely unacceptable. They would have had revolts. They would have had more than one municipality like St. Catharines asking for a private member's bill.

As a result of that, they gave them \$15 on a per capita basis to kind of buy them off, so to speak. Things were smouldering, but they did not explode.

An. hon. member: Except Ottawa.

Mr. Epp: Except Ottawa. In the regional municipality of Ottawa-Carleton, they kept their own police forces in their own municipalities.

Mr. Bradley: They were smart.

Mr. Epp: They were smart, as the member for St. Catharines clearly knows.

Mr. Roy: But they are being punished.

Mr. Epp: They are being punished. They certainly do not get the kind of grants that other regional municipalities do.

As a result, this discrepancy between regional and nonregional municipalities has continued. This year the government is making it \$17 for regional municipalities and \$12 for nonregional municipalities.

I wish somebody would tell me—nobody of the 69 members over there has been able to explain it—why London, Windsor, Kingston or hundreds of the other 830 or so municipalities across the province that are nonregionalized deserve to be treated less equally than the regionalized areas of Waterloo, Oshawa, Hamilton, St. Catharines, Niagara Falls and Welland.

Even Brampton gets \$17, but the city of London gets \$12. What has the present government got against the city that the former Premier represented?

Mr. Piché: That is going to change.

Mr. Epp: Does the member mean he is going to move back?

Mr. Piché: The justice committee is going to make sure it changes.

Mr. Epp: They are going to give it a different name? How are they going to change it?

Mr. Breagh: René, this is not what you said in committee yesterday.

Mr. Piché: You were not there; you walked out.

Mr. Epp: What have they got against the

nonregional municipalities? Why does the city of Welland, for instance, need more money to have its police force than the city of Windsor?

Mr. Swart: Why should Windsor get less?

Mr. Epp: Why should Windsor get less? The member for Welland-Thorold is completely right on this count. Why should Windsor get less? Why should London get less?

I dare the parliamentary assistant to explain to this House in clear, unequivocal terms why that municipality or London or Windsor or Kingston or all the others should get less. I am sure he will be scribbling some notes out, but I dare him to try to explain that. I am prepared to stay here all night to get a satisfactory explanation.

Mr. Haggerty: Don't say that or we will be here all night. I don't want to see him in the morning.

Mr. Epp: I do hope that one of these years the minister and the parliamentary assistant will get their act together with respect to unconditional grants and give us a proposal that is clear, that is concise and that is understandable not only to the minister and the parliamentary assistant—and with all due respect, I do not think they understand it or could explain it without having all the notes in front of them—but also to the members of this Legislature when they vote for this bill, to the municipalities and their elected representatives as well the personnel and, above all, to the people of this province.

Ms. Bryden: Mr. Speaker, this bill deals with one specific grant, namely, the provincial per capita grant for policing costs of local governments, but it also makes a number of changes relating to the calculation and payment of resource equalization grants.

I agree with the previous speaker who said that this is a very complicated area and one that is very difficult for the average taxpayer or municipal representative to understand.

It also contains some housekeeping amendments, in effect recognizing practices that are being followed in cases where the legislative requirements have proved to be somewhat unrealistic.

I have no objection to the housekeeping amendments, such as the one to which the parliamentary assistant referred which provides that in computing commercial assessment the factors included will be derived in future from the last assessment roll instead of from the last revised assessment roll, because we all understand that the revised assessment roll is not

reached until all appeals have been disposed of, which could be several years down the pike. This is a useful amendment.

However, the other amendments relating to the calculation and payment of resource equalization grants cause me some trouble. The whole purpose of resource equalization grants is to achieve equity between taxpayers so that municipalities with low assessments are assisted to have somewhat the same standard of services as municipalities with high assessments.

What gives me trouble is the fact that this amendment gives to the minister the power to determine equalized assessment per capita in a manner prescribed by regulation. It also permits the minister to set unspecified limits on the amount of the resource equalization grants to be prescribed by the regulations. In effect, he can calculate them and then put a cap on them.

In this party, we have always been concerned about the extent to which this government relies on the regulatory power instead of giving the Legislature the say in the formulas and any limits, if they are to be imposed.

I realize that we are dealing with very complex adjustments and that the objective to achieve equity requires complex formulas. However, I do not think we can entirely trust this government to achieve full equity and fairness by regulatory power without anybody setting some guidelines and without the right of appeal.

I am told, for example, by a resolution passed by the village of Paisley on April 6, 1981, that 219 towns, villages and townships were limited in 1980 by the cap on the resource equalization grant. The cap at that time was 25 per cent of the municipal levy.

Those 219 municipalities are about one quarter of all the municipalities in this province. They were not happy with having a cap put on their grant. Many of them feel that they were shortchanged. Many of them feel the cap does not recognize inflationary costs and they are falling behind in equalization.

9:20 p.m.

It is true that the government has had the power in the past year to make grants in cases where severe tax increases or serious tax shifts occur as a result of a change in the resource equalization grant formula. This power is extended indefinitely by this amendment, but the government's power is not limited in any way by the amendment.

There are no guidelines, as I said; there are no rules. There is no right of appeal spelled out on this adjustment procedure; so they could be

made entirely on the government's whim or even based on political consideration, such as whether a Conservative member is elected.

Section 9 allows the government to prescribe, also by regulation, alternative bases for apportionments, levies and requisitions if the ones currently in effect under existing legislation result in serious tax shifts when a change in equalization factors occurs.

Once again, the government is given unlimited power by the amendment to determine which alternative bases it will select, presumably to achieve greater equity. There does not appear to be any right of appeal.

In addition, the choice of alternatives may be made retrospective. Here too the government is given power to provide adjustment grants to both upper- and lower-tier municipalities to offset or limit shifts in taxation resulting from the choice of alternative bases. But here too, there are no guidelines for the formula and no appeals.

These are my main concerns about the resource equalization grants section of the bill.

Turning to the other facet of this bill, namely, the per capita grants for policing, I am also very much disturbed by the effect of the amendment.

It appears that the amendment is legislating changes in the per capita grants actually made in January of this year, according to the statement of the parliamentary assistant. I am not quite sure under what power they were legislated.

Mr. Rotenberg: They were just announced in January. They are being legislated now.

Ms. Bryden: Are they going into effect retroactively? Perhaps the parliamentary assistant can answer that when he sums up. They were announced in January just before the election. It was part of the deathbed repentance by this government, because there had not been a change in them since 1977 and they had fallen far behind.

Mr. Breaugh: Rigor mortis has set in. There has to have been a deathbed in there somewhere.

Ms. Bryden: That is right. They had fallen far behind the inflation rate since 1977, and the government ignored appeals to increase them until an election appeared in the offing. Of course, it did not make any mention of how it was going to finance any increase, it did not

mention the possibility of any tax increases and it did not mention who might pay the tax increases to find the money.

Mr. Kennedy: Who do you think pays tax?

Ms. Bryden: Certainly under our tax system the little guy pays far more than his share.

The percentage increase proposed in this bill for the grants, raising them from \$15 to \$17 for regions and from \$10 to \$12 for area municipalities is very small when one thinks that there has been no increase since 1977. Over four years, the percentage increase has been 13 per cent for regions and 20 per cent for the area municipalities, and inflation has certainly gone up far more than that in those four years.

This government, which pretends to be concerned about law and order, actually has been asking the municipalities to cut back on policing services in those four years by its failure to keep the per capita grants up to the inflation level or, conversely, it has been forcing municipalities to increase the tax load on home owners to maintain police forces to protect their homes. It is time these grants were indexed to the cost of policing instead of being indexed to elections.

I have pointed out two very serious deficiencies in this bill: the lack of adequate per capita grants for the policing function and the tremendous powers given to the minister to use the regulatory power to determine the resource equalization grants. Without clear guidelines arrived at after open discussion with local government associations and debate in this Legislature, and without the right of appeal, these powers are potentially dangerous.

While I understand from the parliamentary assistant that there have been consultations with the municipalities and regions on the formulas proposed, still the municipalities and we here in the Legislature have to put our faith in the government under this amendment that it will actually follow the formulas it has been discussing and that it will provide fair relief to municipalities suffering hardship or threatened by serious tax shifts as a result of the changes brought about regulation.

I am afraid I do not have that kind of faith in this government's ability to achieve equity between municipalities and to achieve fairness in these grants.

Certainly the city of Windsor will tell you how many millions they have lost as a result of the freeze on the equalization factors up to last year, and they have never received the amount of money they have lost. They have received some grants, some adjustments, but not by a long shot what they calculate they have lost.

Because of these two major defects in this bill, namely, the inadequate policing grants and the excessive powers given to the minister, we have decided that we cannot support this bill. I think the government should go back to the drawing boards and overcome the defects I have outlined.

Mr. Newman: Mr. Speaker, I rise to make a few comments on Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975. I do so, having first spoken on this issue back in 1975 and having continued to speak on it every year since that date.

The city of Windsor has not received its fair share of resource equalization grants in all that period of time. When we total the amount by which the government has shortchanged the city, including the board of education, we come to a figure that is practically unbelievable: approximately \$70 million. The city has been shortchanged by \$70 million as a result of the policies of this government—\$40 million on the resource equalization grant and \$30 million on the education grant.

9:30 p.m.

Back in either 1974 or 1975, the cabinet travelled about the length and breadth of Ontario, hearing presentations from various municipalities. The city of Windsor sent both the mayor and the chief financial officer of the community to the city of London and made presentation to the committee. They were warmly received. The government did admit that they were denying the city a fair share, but at no time did they attempt to resolve the problem.

In fact, the Honourable Darcy McKeough, who was the minister responsible, in a letter to me dated August 8, 1977, said the following:

“Thank you for forwarding a copy of the July 4 resolution of the city of Windsor council concerning the resource equalization grant and market value assessment.

“It is a well-known fact that the existing system of equalization factors for adjusting assessment leaves something to be desired. This indeed is why the province is trying to move to full market value assessment. I agree further that there is a particular problem in connection with the city of Windsor.”

That was back in 1977, when Darcy McKeough admitted there was something wrong. The city has appealed year after year, and the government has refused to come along and correct the error its resource equalization grant has caused.

They have made interim payments to the

municipality simply to keep the municipality quiet so it would not come along and raise too much of a fuss. The municipality appreciated that, but that did not resolve the problem. When one compares the city of Windsor with the city of London, one can see the substantial difference in the grants received by those two municipalities.

The fact that Windsor did not get its fair share led to a petition being circulated throughout the community and in the various malls in the community. What I have here is only part of the petition presented to me. When one multiplies that by the other members in the community, if I am not mistaken, one will find more than 15,000 names of residents in Windsor who complained bitterly about inaction on the part of government to resolve an admitted error on its part. It is making no attempt to give the community its fair share of the resource equalization grant.

I could talk ad nauseam about the problem. As I said earlier, I raised the issue right after the city first notified those of us elected from the community that we were not treated fairly by this government.

The easiest way to put the problem of the community on the record is to read from an article in the Windsor Star, dated Saturday, March 14, 1981. It is by two different writers who were quite familiar with the topic; they did an awful lot of research on it and presented an article that I hope the minister and his officials will look into and resolve Windsor's problem once and for all.

Windsor has been so penalized that its debentures either cannot be sold on the market any longer or it is having difficulty selling them, because it has not been receiving its fair share. They possibly would not have had to put debentures on the market for sale because, had they been presented their fair share of the resource equalization grant, Windsor would not have found itself in that difficult position.

The article states:

“Ever wonder why you are still living beside a sewage-filled ditch?

“Why your street has not been repaved in 20 years, why you don't have any street lights, or why there are only a few parks, swimming pools and recreation areas in your neighbourhood?

“If you think your taxes are too high compared to the services you're getting, you're right.

“And you can blame a lot of it on Bill Davis and his Progressive Conservative government.

“This year, you will pay an average of \$240 more in property taxes than a home owner living in London and get less for it.

"The reason is a complicated provincial grant scheme called the resource equalization grant, and Mayor Bert Weeks and Finance Commissioner Ed Agnew have been beating their heads against the wall for years trying to get a fair deal for Windsor.

"Even the Progressive Conservative government has admitted that Windsor is getting shortchanged, but it hasn't done much to make the grants more equitable.

"Arriving in Windsor airport Friday night"—that was just before the election—"Davis didn't see the situation that way.

"Scurrying to a waiting car from his chartered Air Ontario plane, he claimed Windsor was getting its share. 'You started getting it last year,' he says. 'It takes time.'

"Some feel the city is blacklisted because of its penchant for bucking the province's prevailing political winds, and local Progressive Conservative candidates have been using this in their campaign strategies."

Colleagues of government members in the last election kept saying, "Vote Progressive Conservative and get your fair share;" so they admitted that the city was not getting its fair share. That was after some seven or eight years of not getting the fair share. If they talk in that fashion, then there must be some truth and some fact in Windsor's presentation.

The article continues:

"Asked if Windsor needs a PC member in Queen's Park to have the government's ear, Davis flatly declared 'No,' adding 'it would be great for the city and for the province.'"

But there is no action.

"Agnew says the city should get \$4.5 million more than it will get under the equalization program.

"That would wipe out the 10 per cent tax increase, \$80 on an average assessment of \$8,000, the administration is recommending to city council in its proposed 1981 budget.

"As well, the board of education figures it will lose \$6.6 million.

"Instead of paying an extra \$13 this year for public schools, you would have had a \$26 tax reduction.

"Overall, you will pay about \$120 more than you should just to meet this year's city and school board needs."

All of this because of not receiving the fair share of the resource equalization grant.

"But it doesn't end there.

"Since 1973, the Windsor Board of Education estimates a loss of nearly \$30 million because of the inequities in the grant scheme.

"There has been a loss of nearly \$30 million since 1973, but there has been no attempt to correct that inequity. The government knows about it and refuses to act. If anyone owed the government \$30 million, it would certainly go after them.

"Agnew [who is the chief financial officer for the city] figures city hall has lost close to \$40 million more.

"Because Windsor didn't get that money over the last eight years, the city has had to go into debt to complete capital works projects that simply could not be put off"—capital works projects that were demanded by the Ministry of the Environment and other capital works projects.

"This year, it will cost the city almost \$18 million, close to 20 per cent of its \$100-million budget, to pay the principal and interest on its debenture debts. That means for every \$100 in taxes you pay, \$18 goes to pay off a debt." Eighteen per cent to pay off a debt; all because the city of Windsor was not treated fairly in relation to the resource equalization grant.

All we ask for is our fair share, the share we are entitled to. We do not ask for any more. Time and again, the city has pointed out to this government that it has not treated the community fairly and continues to treat it unfairly simply because, as a lot of constituents mention, they are of a different political stripe in the city of Windsor and in that area. I hope that never will be the reason for not getting the grant. The reason is that the people over there do not care for certain parts of the province, as exemplified in the city of Windsor situation right now.

9:40 p.m.

"London, which Agnew says receives its fair share of the grants, will spend about \$12 million to pay interest and principal on debenture debts.

"Windsor has to pay 18 per cent all the time.

"The \$8-million difference means you will pay a further \$120, bringing the total to \$240 on an average assessment of \$8,000, all because the province, which has admitted Windsor is getting a raw deal, has yet to come up with an equitable scheme.

"And the difference will continue to increase, compounding itself every year the inequity exists, because the city will have to borrow more to do things like rebuilding the Peabody Bridge, now becoming structurally unsafe.

"You will not only pay more"—referring to the citizens of Windsor—"but you will get less.

"The city has had to delay badly needed

capital works projects, such as local sanitary sewers, street lighting and dozens of other projects, because it simply can't afford to go further into debt.

"Agnew found out the city was getting cheated in 1973 when he compared 1974 resource equalization grants received by London, then a similar size, to what Windsor was getting.

"That year, Windsor got \$3,245,000 less than London did."

Both cities were almost the same size, London being slightly smaller in population than Windsor at that time.

"Until 1977, Agnew and Weeks could only argue the city was getting shortchanged by comparing what Windsor got to London.

"But in 1977, the province came out with province-wide market value assessment figures.

"Based on that, former Treasurer Darcy McKeough had to admit the province was indeed giving Windsor a raw deal. . . .

"The Davis government did kick in a few million dollars a year in ad hoc grants to make up for the shortfall, but those never came close to what the province admitted the city should have received if the resource equalization grant scheme was fair.

"By 1980, the amount the city was shortchanged was almost \$40 million, and this year \$4.5 million more will be added."

That shortchanging is only as far as the municipality is concerned and does not refer to the shortchanging of the board of education.

"The inequities are created by the way the province determines equalized assessment based on market value.

"In the early 1970s, the province moved to market value assessment to clear up the hodgepodge methods of assessing property for taxes across the province.

"Some municipalities assessed property on 1940 market values, some on 1950 values and, in Windsor, on 1958 market values."

Simply because we had updated our assessment figures to a 1958 figure, as opposed to a 1940 figure that other municipalities had, we were penalized for it. By using more up-to-date assessment figures, we in the community apparently made a mistake or gave the government an opportunity to shortchange us.

"The province came up with a number which, when multiplied with a municipality's assessment, supposedly brought every municipality to current market value. The result of the calculation is called equalized assessment.

"The number, or equalization factor, was initially for provincial use and didn't affect grants to the city.

"But, in 1973, the province implemented a new program—the resource equalization grants—and based those grants on equalized assessment.

"To determine the grants, the province found an average province-wide equalized assessment.

"Municipalities with equalized assessment above that average get no resource equalization grants.

"The size of the grants increases the further below the average a municipality drops."

And that is as a result of municipalities having assessment figures that are 30 and, in some instances, almost 40 years out of date.

"Windsor argued, not only was its equalization factor wrong, the way the property was assessed was also wrong.

"To come up with a market value, provincial assessors look at the sales of each type of property in Windsor each year—single-family homes, apartment buildings and industry—and apply those sales to the overall assessment. What throws that out of whack is industrial assessment.

"Agnew argues that to take the amount a small industry employing 20 or 30 people is sold for, and then apply it to industrial giants, like Chrysler Canada Limited, General Motors of Canada Limited and Hiram Walker and Sons Limited, to come up with their market value, borders on the ridiculous and throws Windsor's true assessment picture out by hundreds of millions of dollars." Apples are being compared with tomatoes.

"The combination of the incorrect equalization factor and the way Windsor's industrial property was brought to market value left the city closer to the cutoff point than it should have been.

"Hence the loss of millions of dollars in grants.

"Agnew had argued for seven years the province should change the factor and the assessment method.

"This year, the province did change the equalization factor, which had been frozen since the early 1970s.

"The new equalization factor is based on 1979 property sales, when Windsor's economy was booming and real estate was at its highest level ever.

"Topping it off, the province discounted residential sales by 45 per cent in determining the new overall assessment.

"More weight was given to the value of industrial property, which Agnew argues is already throwing out Windsor's equalized assessment.

"Multiplied with the higher equalization factor we, in Agnew's words, 'got screwed again.'

"Once again, Weeks and Agnew will go to Toronto to argue the city's case before the provincial government in what is becoming a frustrating pilgrimage.

"Every year, they have gone, at first returning empty-handed and in recent years coming back with some money in ad hoc grants, but still without what they consider to be Windsor's fair share of the provincial pie."

That article explains very well the situation in this community, and I hope that this minister and the Minister of Intergovernmental Affairs (Mr. Wells) read it in Hansard and come back and give the community its fair share.

9:50 p.m.

There is one other point I want to make; it relates to section 2 of the bill, dealing with grants to police forces in municipalities.

By this bill, Windsor will receive only \$12 per capita as opposed to other municipalities, such as regional municipalities, which will receive \$17. The policing costs in the community of Windsor are probably higher than they are in some of these regional municipalities.

We have another factor that is not taken into consideration. We are directly across the river from approximately four million people who are within 15 minutes of crossing the border. They know there are certain undesirable elements who do come into the community and do cause us problems.

The policing in the area as a result of being a border town is substantially greater than it would be in other communities that do not have that factor affecting them. I think they have to take that into consideration when they give the grants for policing purposes.

Windsor, Niagara Falls, Fort Erie—border towns—do have a different and additional problem because of elements that do come into the community from another country. Most of those who do come into the city of Windsor are good, law-abiding citizens of the United States and other jurisdictions. However, not only that type of element comes into the community, and they do increase the policing costs in the municipality. The city should be considered in the same vein in which they consider regional municipalities. It has that added burden, and it is up to the minister to see that that second issue also is corrected.

All we ask in the city of Windsor is that we receive our fair share. We do not ask for anything other than that.

Mr. Wildman: Mr. Speaker, I will not promote the member for Wilson Heights (Mr. Rotenberg) to the level of minister in my remarks, but I do want to speak to this bill and to express my sincere disappointment over the fact that this government has chosen not to bring about a parity among the municipalities in terms of policing grants in this province.

This has been raised a number of times in the Legislature. I have had correspondence with the Minister of Intergovernmental Affairs (Mr. Wells) and the Solicitor General (Mr. McMurtry). It was indicated to me in the past that there were reasons for this.

At the time the regional municipalities were established they had to take on extra policing duties, there were extra administrative costs and so on. To assist those regional municipalities, the provincial government gave them an increased grant; so they received something like \$15 per capita, while the other municipalities, the separated cities and the smaller municipalities, received \$10 per capita to assist with their policing duties.

I am disappointed to see that the member for Cochrane North (Mr. Piché) is not present in the House for this debate, since one of the major issues he raised during the election campaign, and has raised since that time, is the need for better policing in northern Ontario.

I am also disappointed he is not here to give me some assistance in my speech by kibitzing, as he often does, but I understand that he said he wants to raise this issue in the standing committee on administration of justice. I think the *Kapuskasing Northern Times* carried a story by that member in which he said he was going to tell the Solicitor General a thing or two, and they were going to hear about the need for policing in the Kapuskasing area.

I do not want the House to get the wrong impression. The member for Cochrane North is indeed correct; there is a serious need for additional assistance for policing in the north and in small municipalities in the north.

One of the problems we have, and it is a problem for the provincial government as well, is that most municipalities are dependent upon the Ontario Provincial Police for their policing. Most small municipalities cannot afford to provide their own police forces; to assist them and to provide more adequate policing and a

more equal type of policing across the province, the provincial government has been giving them assistance through the OPP.

It has become apparent over the last few years, though, that the provincial government and the Solicitor General cannot persuade the rest of the cabinet to provide that ministry with the funds needed to provide adequate OPP services for the north. Instead of being expanded, those services are being curtailed. We have situations now where some municipalities do not have any policing whatever after a certain hour at night; say, 1 a.m. They have to phone a Zenith number 70 or 80 miles away if there is need for assistance—

Mr. Piché: That is if you can get the line. Most of the time in the north you cannot get the line.

Mr. Wildman: I am glad to see the member is back. He is quite right: one cannot get the line. If one does get the line, then the operator phones an off-duty policeman somewhere, gets him up and sends him to the call. One might be lucky if one gets the policeman there within an hour of the call.

It seems to me that it would make a lot of sense for the government to give as much assistance as possible to the small municipalities in the north that wish to provide their own policing so they then can take off some of the pressure that is now on the OPP services.

I have raised this in the past with the minister. I wrote the Solicitor General about this matter in early 1980 in response to a communication I had received from the township of Michipicoten, which is Wawa, in my riding. I know the Speaker is aware of Wawa; he has relatives who live there.

By the way, Mr. Speaker, I am sure you are aware that this community does have its own police force. They pointed out the lack of parity. They pointed out that they do not get adequate funding from the provincial government for that police force. At one time they even considered asking the government to agree to their disbanding their own police force and just getting served by the OPP, because they could not afford it on the grants they were getting and in view of the need to raise funds locally.

In response to that, I wrote to the minister. He wrote back, and I will just quote briefly from his letter. He said:

“Thank you for informing me that the township of Michipicoten supports the resolution of Palmerston”—another municipality that had passed a resolution on this—“requesting that

the police grant be paid to all recipient municipalities at the rate of \$15 per capita”—at that time they were asking for parity—“the current rate for regional municipalities maintaining upper-tier forces.”

The Solicitor General goes on to say:

“My colleague the Minister of Intergovernmental Affairs is presently reviewing provincial grants in general and the differential rate of the police grant in particular. Of course, there are related problems of policy for structure and financing which must be reviewed province-wide before any change in the existing police grants can be made.

“As you may know, the police grant differential between upper-tier regional municipalities and other municipalities maintaining police forces has reflected the burden of making the transition to regional forces and the initial period of development.”

When I received that letter, it gave the impression that the question of police grants and parity between the nonregional and regional municipalities was under review and that there might be a change. The minister justified it, as I said, on the basis that these grants had been made to assist in the transition to regional forces.

Considering when most of the regional municipalities were established in this province, surely we are past the period of transition; so, if there was justification at the time of transition, that justification is no longer there.

That gave me and the township of Michipicoten to understand that there might be a change; so they were looking forward to the introduction of this bill.

10 p.m.

Since the Solicitor General indicated the Minister of Intergovernmental Affairs was involved in this, I then contacted him. I wrote to the minister in March 1980, and he replied to me in April. I will read a portion of his letter.

He stated: “I have noted your view that as many municipalities as possible in northern Ontario be able to maintain local police forces to enhance overall police effectiveness.”

Then he goes into an explanation again that the grant for the regional municipalities was introduced to take account of the startup costs of regional forces and the responsibilities that these forces were absorbing from the OPP.

Then he says: “A number of municipalities have, together with the Association of Municipalities of Ontario, now asked that the regional grant rate be extended to all municipalities

providing police service. The government is reviewing the issue to see whether a change in the grant would be appropriate in light of present conditions and what other options might be available with respect to policing in smaller towns."

Then he asks me to convey that view to the township council. That indicated again that there was an active review going on and that the government was actively considering change.

It seems to me if we were to give the smaller municipalities parity that would encourage more of them to get into policing for their own areas and would ease pressure on the OPP. We all know the OPP budget now is completely inadequate; even the minister has admitted that. The minister stated a year or two ago that he needed at least 100 more constables to carry out the OPP's responsibility across the province. He was unable, however, to get the money for those additional constables from the cabinet.

The OPP is under great pressure. They are unable to carry out their functions as they would like to do. It seems to me that we should be encouraging the small municipalities to get into policing. But the minister is not going to encourage them to do that when he has an unfair granting system and when they can see that, if they do go into policing, they are going to get a lot less grant money than the regional municipalities get for carrying out a similar function.

It might be argued that a small municipality does not have as much expense in policing as a regional municipality; it is a small area and so on. But I think the member for Cochrane North and other northern members would agree that a small northern municipality does have difficulty.

If one takes the example I was using, the township of Michipicoten, the community of Wawa is on Highway 17, 140 miles north of Sault Ste. Marie, and is, I understand, the only municipality between Sault Ste. Marie and Thunder Bay—a stretch of about 400 miles—that has 24-hour policing. None of the OPP detachments between Sault Ste. Marie and Thunder Bay are open 24 hours. They have to depend on this silly Zenith line system. Not one of those other forces is providing 24-hour service, but this small municipality is doing that.

Also, because of the distances involved, this municipality has additional expenses when its prisoners have to be transported to remands, to jail or to trial in places like Sault Ste. Marie. They have to send officers with the prisoner and so on. There is a lot of administrative costs and

travel expenses and these kinds of things; so they have to have more constables on staff than one might expect a small municipality to have.

They have these additional costs, and yet they were only getting \$10 while a regional municipality was getting \$15 per capita. They hoped there would be change. These two letters, one from the Solicitor General and one from the Minister of Intergovernmental Affairs, led them to believe there would be change. They were looking forward to getting parity. They were looking forward to being able to ease the pressure on their local property taxpayers and still being able to continue policing their community on their own, providing 24-hour service instead of having to move to an OPP service which would not provide that 24-hour protection. They were looking forward to that.

When this bill was introduced, I expected we were going to see a change. So what do we see? We move from \$15 to \$17 per capita for the regional municipalities, but we do not move from \$10 to \$17 per capita for other municipalities. No, we move from \$10 to \$12, nowhere near parity, not even an attempt to bring about parity. I understand it has been argued that by moving from \$10 to \$12 and \$15 to \$17, the percentage difference is no longer as great, so we are moving towards parity. Frankly, that is ridiculous. In total dollars, which is what counts when paying for policing, the small municipalities are not being given the adequate funds they need.

There is no more transition going on at the regional level. They have established forces. The smaller municipalities need the extra funds. The Association of Municipalities of Ontario agrees they need the funds. There have been requests from many municipalities across the province that they should get those funds. To my knowledge, I do not think the regional municipalities object; they are not opposed to the other municipalities getting the same grants they get. I am not suggesting the regional municipality grants should be lowered. I am suggesting they should get parity by raising the grants for the other municipalities, and I am very disappointed that has not been done. To argue that a percentage difference is less is just to play with numbers and not to look at the need for policing in the municipalities of this province.

For these reasons, I cannot support this legislation. I think it is inadequate. It is not a serious attempt at all on the part of the government to respond to the requests that have been

made in terms of parity. I would like to have an explanation. Both the explanations I received from the ministers talked about the reasons for the establishment of the differential before the transition. Not one of them gave any logical reason for continuing the differential. Not one of them attempted to. The Solicitor General, in the estimates debate in the justice committee, himself would not give any justification and did not attempt to. As a matter of fact, he suggested there should be review, and he kept pointing to the fact that there was review going on. I would be very interested to hear if the parliamentary assistant can give us some kind of logical justification, but he had better not respond by talking about this percentage reduction. Percentages do not produce police constables; total dollars do.

This government makes a lot of noise, during election campaigns at least, about being in favour of law and order. It is the law and order party. If it is in favour of law and order in this province, it had better look at what is happening in northern Ontario and do something about police protection. In southern Ontario, people do not have to depend on a Zenith line to get protection after 1 a.m. If their houses are being broken into at 2 a.m., they do not have to phone—

Interjection.

10:10 p.m.

Mr. Wildman: I had an interjection from the member from my home town of Manotick, which is a lovely place. I have relatives who still live there, and he informs me that—

Hon. Mr. Sterling: They are all Tories.

Mr. Wildman: They are all Tories; I will admit that. Why does he think I left?

The point is, he says that in Manotick they do not get 24-hour police protection from the Ontario Provincial Police detachment there. I say that is regrettable.

Hon. Mr. Sterling: We do get protection but you have to phone a Zenith line.

The Deputy Speaker: Try to ignore the interjections, Mr. Wildman.

Mr. Wildman: Mr. Speaker, he said they do get protection, but that is the whole point. I know the member for Cochrane North understands this. Sure, they have a Zenith line, but where are they phoning? It may be Bells Corners or Ottawa. If they phone Bells Corners, how far is Bells Corners from Manotick?

Hon. Mr. Sterling: Fifteen miles.

Mr. Wildman: Fifteen miles. In Hornepayne if there is a house break-in at 2 a.m., they phone a Zenith line that goes to Hearst. The distance between Hornepayne and Hearst is 80 miles.

The Deputy Speaker: Speaking to the principle of the bill, Mr. Wildman.

Mr. Wildman: Eighty miles. They will be lucky to get a cop back to their place within an hour. The policemen do not like it. They realize that they are not providing the protection they should. They want this government to put its money where its mouth is and provide decent protection for policing in northern Ontario. The government is only going to do that if they give the municipalities the assistance they need so they can get involved with their own policing and take the pressure off the OPP. They will not do that unless they give parity. Instead of \$12 they had better come across with \$17 for all the municipalities of this province.

Mr. Roy: Mr. Speaker, I thought I should make a few comments about these unconditional grants. I am sure that my colleagues, especially the Tory members from the Ottawa-Carleton area, will be supportive of the comments I have to make in relation to the police grant. I look forward to the participation of the member for Ottawa South (Mr. Bennett). I am looking forward to the type of support that he is going to give to assuring that the police forces in the Ottawa-Carleton area get their fair share of funds from the province and are not punished because they happen to have retained their own police forces.

The member for Carleton East (Mr. MacQuarrie), whom I have observed all evening fluttering around the House, will obviously be supportive as well. It is going to be interesting to see whether the new member for Carleton East is able to see to it that the municipality of Gloucester, where he was formerly the reeve, is going to get its fair share of police grants now that he is the member for that area.

Also from the Ottawa-Carleton area is the member for Carleton-Grenville (Mr. Sterling), another member of cabinet, who I am sure will be supportive and will see to it that the people of Ottawa-Carleton get their fair share of police grants for the forces in the Ottawa-Carleton area.

As far as I know, Ottawa-Carleton is the only regional municipality which does not receive the \$17 per capita regional grant in Ontario. The reason for it is that the different municipalities in the Ottawa-Carleton area have retained their

own police forces, so that the Ottawa police department has its own force and Gloucester has its own police force. The member for Carleton-East, while he was reeve of that municipality, insisted and fought to see to it that Gloucester retained its own police force. The municipality of Nepean, which is very close to the area represented by the member for Carleton-Grenville, is also insistent on keeping its own police force.

A few years back the provincial government was interested in seeing to it that the forces amalgamated so there was one regional police force. There was talk about this by various people and I suppose the main instigator of this initiative would have been the former Treasurer, Darcy McKeough. A variety of Attorneys General came to Ottawa-Carleton and came to the conclusion the Ottawa-Carleton area was receiving adequate and good police protection. The decision was made to retain the individual police forces but, in the process, that area continues to be punished. It is without logic and is completely unfair to an area like Ottawa-Carleton or individual municipalities.

John Clement, the former member for Niagara Falls who was then Solicitor General and Attorney General, had agreed the area of Ottawa-Carleton was receiving good and adequate protection and there was no reason to regionalize the force. He did not want to go against people like the reeve of Gloucester, who is now the member for Carleton East.

Mr. Conway: The former Liberal candidate.

Mr. Roy: My colleague the member for Renfrew North mentions a former Liberal.

I do not know when the conversion actually took place. When I first got to know the member as far back as 1971, he was on the fence at that time. He was riding the rails.

The Deputy Speaker: Speak to the bill.

Mr. Roy: I am speaking to the bill, right on the bill.

I do not want to be unduly harsh on the member for Carleton East, but some people have suggested he is a member who was of easy virtue and whose principles were flexible.

The Deputy Speaker: Speak to the bill, Mr. Roy.

Mr. Roy: I do not want to be unduly harsh on the member.

Mr. MacQuarrie: Mr. Speaker, on a point of privilege—

Mr. Roy: I have managed to get him on his feet. He is alive.

Mr. MacQuarrie: Mr. Speaker, I hesitate to have my virtue impugned in this manner. I would ask the member to withdraw.

Mr. MacDonald: Mr. Speaker, the honourable member should not be affronted, because it was a Liberal member in my area who was seeking the Tory candidacy in York South at the same time as he was seeking the provincial candidacy in the neighbouring riding of Oakwood. Try to beat that one.

The Deputy Speaker: Mr. Roy, do you think you might rethink your phrase?

Mr. Roy: No, Mr. Speaker, I do not. What do you call—

The Deputy Speaker: Mr. Roy, speak to the bill. I think that would be the appropriate thing.

Mr. Roy: I am ready to abide by your ruling, Mr. Speaker. What do you call—

The Deputy Speaker: Do not ask. Speak to the bill.

Mr. Roy: He was actually nominated as a candidate for the Liberals at one time.

The Deputy Speaker: Order. Order. I know, but you are going to speak to the bill now, are you not, Mr. Roy? We have enjoyed your comments. I would ask you seriously to speak to the bill without bringing other members into your thoughts and comments.

Mr. Roy: Mr. Speaker, I trust you will bring to order some of the members who are not in their seats and are making comments in this House.

Interjection.

Mr. Roy: Do not point your finger at me.

The Deputy Speaker: Mr. Roy, please avoid the interjections.

Mr. Roy: I would not dare to take on the Minister of Transportation and Communications (Mr. Snow). He is too big a fellow.

Getting back to the principle of the bill, I want to say to the member for Carleton East, the formerly nominated Liberal candidate who is now the Conservative member for Carleton East—you can call that what you want, Mr. Speaker, now that member—

Mr. MacQuarrie: Another point of privilege, Mr. Speaker: I might say that at one time, as the member suggested, I did identify myself with a certain party which shall be unnamed. I found that party left me. I did not leave it.

Mr. Roy: There we have the admission on the record. I want to say to my colleague the member for Carleton East when I was talking

about easy virtue I did not want to offend him. I meant easy political virtue. I did not intend to refer to his morality. That was intended in jest.

10:20 p.m.

Now that he is parliamentary assistant, I understand he is one of the fortunate ones. There are very few unfortunate ones on that side who are not drawing additional remuneration. I can count them on the fingers of one hand. Now that he let himself be enticed into becoming a candidate and is the parliamentary assistant to the Solicitor General (Mr. McMurtry), I trust he will prevail upon his minister to see that the police forces in Ottawa-Carleton receive their fair share of these grants. I trust that the member for that great municipality of Gloucester will fight for the municipality to see it is not punished by the Conservative government at Queen's Park.

Some people call my colleague the member for Ottawa South the godfather of the area now. I do not know whether that is true. Has he been fighting for the police force of Ottawa to see that it gets \$17? I would ask that member, do they not listen to him in cabinet?

Interjections.

Mr. Roy: I can only look at the evidence. The evidence is that Ottawa is a regional area and is being punished. It is not that we do not send Tories here. In the House tonight there are three of them.

Getting back to the principle of the bill, it is patently unfair that the provincial government, having decided that Ottawa-Carleton is getting adequate policing by supporting these various police forces and allowing the municipalities to retain their own forces, should punish them. Once a government makes a decision that the policing is adequate, there is no logic to punish that area and give it only \$12 instead of \$17 which other regional areas get.

Is there any explanation that can be given? I ask the member for Carleton East, the member for Ottawa South and I ask the new minister, the member for Carleton-Grenville, what logic is there? He is a former parliamentary assistant to the Solicitor General as well. Do they not listen to them there?

Hon. Mr. Sterling: If the member for Ottawa East would check the records, he would find I was the parliamentary assistant to the Attorney General and not to the Solicitor General.

Mr. Bradley: They are the same thing.

Hon. Mr. Sterling: There is quite a difference

in the two functions. Unfortunately, the member for St. Catharines does not understand the difference. That is perhaps his problem.

Mr. Roy: When the member for Carleton-Grenville was the parliamentary assistant to the Attorney General, the Attorney General was the same fellow as the Solicitor General. Did the member for Carleton-Grenville at any time say to him: "What logic is there to punish the good people of Nepean, Ottawa, Gloucester and Vanier? What logic is there to punish these people? Why do they not get the same level of grant as other regional areas get?" Did he ask that of the Attorney General?

Hon. Mr. Sterling: Yes.

Mr. Roy: He did? What did he say? I am advised that the Solicitor General last week was saying in committee that he has been fighting to get the same level of funding. I think the member for Carleton East was present at that committee hearing. The Solicitor General said at that time, "I am trying to get the same level of funding but, unfortunately, the Treasurer is not listening."

I want to make one final comment based on this bill—

Mr. Bradley: Are you saying that Roy has no clout in the cabinet?

Mr. Roy: I do not know if it is that Roy has no clout, or I do not know if it is the member for Carleton-Grenville or the member for Ottawa South, because I am sure he has been fighting for that as well; or is it the new Conservative member for Carleton East? I do not know who has clout.

Frankly, Mr. Speaker, I don't know why we are being punished, we send a lot of Tories from Ottawa-Carleton to this place. There is the Minister of Culture and Recreation (Mr. Baetz). We keep sending Tories over there; why do they punish us, why are we punished? We are sending the Tories over there; I don't know.

I want to ask the member for Ottawa South—

The Deputy Speaker: But he does not have to respond.

Mr. Roy: He is shortly going to have jurisdiction over this statute. Once we pass Bill 69 and make him Minister of Municipal Affairs and Housing, he is going to have jurisdiction over the Ontario Unconditional Grants Act.

I want to ask the new minister, once he becomes the boss over this legislation—

Mr. Conway: Superminister.

Mr. Roy: Superminister, my friend from Renfrew North tells me. That would be exaggerating somewhat, eh Claude?

I ask the minister, is that a promotion he's getting? Because the last time he went from Industry and Tourism to Housing and he was the only one in the province who thought it was a promotion.

I want to say to the minister, once he takes over jurisdiction, can we rely on him to fight for Ottawa, to see to it that Ottawa gets its fair share of police grants, can we rely on him to do that? Can we rely on the member for Carleton East to fight for Ottawa-Carleton, or can we rely on the member for Carleton-Grenville?

I apologize; I forgot the member for Carleton (Mr. Mitchell), whose riding has the Nepean police force, which is being penalized as well. Is that member going to fight to see to it that the Nepean police force gets the same level of funding?

I think you can understand, Mr. Speaker, that we have reason to be concerned. We in Ottawa-Carleton, who have good policing, who are responding to the requirements of the province, are being punished.

Further, to complicate matters—

Interjections.

Mr. Roy: Did I wake you up?

The Deputy Speaker: Avoid the interjections, please, Mr. Roy; you are being awfully provocative.

Mr. Roy: I wish they would interject individually so that I could respond. When they all talk at the same time it is difficult for me to follow what is happening.

The point I want to emphasize, and many of my colleagues have emphasized it on a number of occasions, is that there is no logic, there is no reason why Ottawa-Carleton, because it has retained its individual police forces, should receive a lower level of funding.

It is being reflected in the property taxes. For instance, on a percentage basis we pay something like 20 to 25 per cent higher property taxes than the city of Toronto, the city of Hamilton, the city of London; would you know that, Mr. Speaker? Would you believe it, considering how many Tories we send to Queen's Park? Really, you would not think we would be punished for that. But that is what is happening; and there is no reason, there is no logic to it.

Because of the time, I am going to have to wind down.

Interjections.

Mr. Roy: Don't worry, I seldom miss it.

Even the Conservative candidate Omer Deslauriers said during the last campaign we would no longer get what the member from Windsor talked about, we would get our fair share; even Omer promised that during the last campaign. So we were getting it from all sides. We all thought we were going to get fair treatment from this provincial government. Unfortunately the way this government keeps the promise is by bringing forward legislation like Bill 69—

10:30 p.m.

The Deputy Speaker: Time.

Mr. Roy: Time? The record should indicate that while I am showing so much concern about this the member for Ottawa South is smiling and not caring at all.

The Deputy Speaker: Thank you. Order.

Mr. Roy: I thank you Mr. Speaker for your patience and I am prepared to let the debate continue at a later time.

On motion by Mr. Swart, the debate was adjourned.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, before the adjournment of the House I wish to indicate to the members the business for the rest of this week and next week.

Tomorrow we will consider third readings of Bills 48, 76 and 81; second reading of private bills Pr1, 2, 3, 5, 6, 7 and 10 and continue with the second reading of Bill 69, which we have been on tonight, followed by second reading of Bill 67.

On Monday we will consider legislation in the afternoon, second reading of Bill 59 and if time permits resume second reading of Bill 72. In the evening we will consider the interim supply motion and then return to second reading of Bill 59 or second reading of Bill 72 if Bill 59 has been completed.

Tuesday, June 16, in the afternoon there will be consideration of second readings of Bills 103, 86, 89, 95 and 90. In the evening we will continue with any of that legislation not completed, and in the same order.

On Wednesday, June 17, three committees may meet in the morning, general government, resources development and administration of justice. In the afternoon the House will meet and the business for that session will be announced. However, there will be a question period as there is every afternoon.

On Thursday, June 18, in the afternoon,

private members' ballot items 7 and 8 standing in the names of Mr. Taylor, Simcoe Centre, and Mr. Haggerty. In the evening we will continue with the legislation that has not been completed Tuesday evening, in the same order.

On Friday, June 19, we will continue with any legislation not completed Thursday evening, again in the same order.

The House adjourned at 10:33 p.m.

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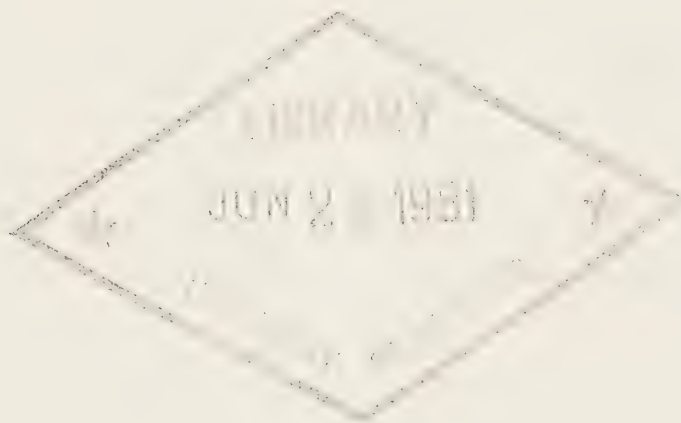
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No. 45

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, June 12, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, June 12, 1981

The House met at 10.02 p.m.

Prayers.

ORAL QUESTIONS

Mr. Nixon: Mr. Speaker, it appears that the members of the ministry are hiding themselves in embarrassment this morning. Did you think that was enough to wake them up, Mr. Speaker?

Mr. Speaker: Proceed with your question.

Mr. Nixon: I see a few of them are coming out of the woodwork now. There we are. That is a little better.

TOWNSEND HOUSING PROJECT

Mr. Nixon: Mr. Speaker, I would like to direct a question to the Minister of Housing about his position with regard to the future development of his favourite community of Townsend. It is located partly in my constituency and partly in the constituency of Haldimand-Norfolk.

How can he justify to the House, particularly with the severe restrictions put on many of his colleagues in the most recent budget, a continuation of a program that is providing a \$2-million shopping centre, an artificial lake and a totally serviced town community for only 10 residents? When is he going to see that these scarce funds should be used to develop housing in the communities where it is required, and to assist in servicing the communities in the areas of Haldimand-Norfolk that are already established so they can take any reasonable increase in population that may occur between now and the end of the century?

Hon. Mr. Bennett: Mr. Speaker, I do not have with me this morning the names of all the units that are under construction or that are in an optional position with the contracting people—and I am referring to the contractors in the Haldimand-Norfolk area. I think I did send, in answer to a question on the Notice Paper, a rather detailed explanation of the investments we have at Townsend at this time in relation not only to the roads but to the other infrastructures required to accommodate the further development of Townsend.

Indeed, the Ontario Land Corporation and

the Ontario Mortgage Corporation continue, along with the member for York South (Mr. MacDonald) and others, to keep a rather close eye on what is happening in the Townsend community, and the interest that has been displayed by the amount of traffic we have had through the sales office for units that will be available in the Townsend community. I would be delighted to go into it further with the honourable member from that particular area and to elaborate on the question in written detail.

Mr. Nixon: Is the minister aware that, from the information he himself provided the House, there is close to \$60 million invested in the community, and that he has already spent more than \$250,000 on advertising of the most expensive type—four-colour advertising and the kind of jingles they used a few weeks ago to sell the so-called “promise”; that kind of advertising?

Is the minister aware that with an investment of more than \$60 million and high-intensity advertising for probably a year and a half, he has a grand total of 12 families living in this community with a \$2-million shopping centre available for them and the artificial lake and all the rest of it? How can the minister proceed with a policy that is obviously not providing one of the felt needs of the community, when many other communities, including Metropolitan Toronto, have such a scarce supply of affordable housing that they are really crying for it?

Hon. Mr. Bennett: Let's go back for a moment and look at the amount of money the honourable member speaks of, the \$60 million. He knows very well that the \$60 million has more than just a relationship to Townsend. The sewage and water system was brought in to accommodate the industrial development opportunities in that part of Ontario. I am looking at the Stelco operation; I am looking at two or three of the other communities.

Mr. Nixon: That is down on the lakefront.

Hon. Mr. Bennett: If the member would just listen for a moment, part of the problem with Stelco going in there, if I recall correctly, was the supply of water and other facilities. The front money from the provincial government

not only was put in to service Townsend, but it obviously was to offer water facilities to communities in that area that had experienced a very bad water quality and did not have the capacity of wells to serve them.

The member knows very well that for a long period there have been communities talking to him and talking to this ministry and others about a better water supply system. The \$60 million is an infrastructure cost that will allow for further development of that community for many years to come.

He talks about the lake. It is a planned community. The lake is one of the opportunities for offering some beautification. I was not around here in 1953 when Malvern was purchased. I would dare say if we could go back and look at what was said about Malvern and what was happening in that particular community when the federal and provincial governments invested their money, there likely was a tremendous number of harsh comments about government investment in that particular community.

But not today; today we hear nothing but praise because governments had the foresight to move in and develop a community known as Malvern and because it is returning to this government and the federal government rather interesting dividends, not only on the investment of the land but in the type of community it has been able to develop industrially, commercially and residentially.

I say to the members we have planned this community. We are promoting and advertising this community, and I think both the member from that area and the Treasurer (Mr. F. S. Miller) will be delighted with the success we will have in the years to come with Townsend.

Mr. Nixon: The minister is looking back. I wonder whether he would look to the future. Since the government has made a commitment to an additional community sometimes known as Seaton but which has had four or five names— which is closer to the Metropolitan Toronto area and has the advantage of being advocated by the Minister of Revenue (Mr. Ashe), who is looking after all the cash in the first instance, what are the plans for that community in view of the rather unfortunate and disappointing results of the Townsend experiment, where, as I say, \$60 million has been committed in services for 12 families?

Hon. Mr. Bennett: Of course it is not for 12

families and the member knows very well it is not for 12 families. That community is going to serve a great deal more—

Mr. Kerrio: How many are there?

Mr. Nixon: You have been trying to sell it for two years.

Hon. Mr. Bennett: I said I was prepared to get the exact numbers, because to try to give it on a day-to-day basis without having been briefed on it this morning would be ridiculous and the member knows that very well. He knows very well that in the shopping centre complex in that particular Townsend community will be the regional government headquarters. We were involved in a contractual relationship with that regional government which overall—

10:10 a.m.

Mr. Nixon: That is another thing I should have mentioned; another \$4 million down the drain.

Hon. Mr. Bennett: Sure, the member should have mentioned it, and if he did not think of it I am glad I brought it to his attention.

Mr. Speaker: Order.

Hon. Mr. Bennett: I said very clearly and very distinctly in this House back in March 1980 that we were not proceeding any further with Seaton at that time in our economic history; that we were putting Seaton on the back burner and that we would continue to review the situation in conjunction with the regional and local governments for whatever plans and future operations might be available there. But at that point we were not proceeding any further with the Seaton community. That situation has not changed.

CONSTITUTIONAL PACKAGE

Mr. Nixon: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs. I wonder whether he might clarify to the House the news item that appeared a couple of days ago with reference to the possibility that the Premier (Mr. Davis) and the Attorney General (Mr. McMurtry), of all people, would travel to Westminster to persuade the Conservatives there to accept the constitutional package, if, as and when it is approved by the Supreme Court of Canada and goes through the rest of its passage in the Parliament and Senate of Canada.

Hon. Mr. Wells: As I recall, Mr. Speaker, what has been talked about—and I do not think any definite plans have been laid—is that if the

Supreme Court of Canada rules in favour of the federal government's right to proceed with the constitutional package, which of course is the position that the province of Ontario and the Attorney General himself argued before the Supreme Court of Canada—

Mr. T. P. Reid: That is what we are worried about.

Hon. Mr. Wells: He was down there to help the lawyers for the federal government. We hope and believe the court will rule that the federal government can proceed. If that then occurs, and if, as we hope, the package passes in the House of Commons and the Senate after the two-day debate that has been agreed upon there, it will then, of course, go to Westminster. We have indicated that if we can be of any assistance at that time by talking to people in Westminster, the Premier, the Attorney General and I will be available. But no definite plans have been laid for that. As my honourable friend knows, I have already been over there once and the Attorney General has been over once talking to some of the people.

Mr. Nixon: The news report did not indicate the Minister of Intergovernmental Affairs had been invited by the Premier. Actually, I am very glad to know there is a possibility that he, rather than the Attorney General, may be a party. I consider him to be slightly more diplomatic than the Attorney General and to have probably a slightly better track record in keeping things smooth.

But since the date that was suggested for his trip to London was really within two weeks, is it in the back of the Premier's mind, assuming the Supreme Court reports or gives its judgement within the next few days and passage through both Houses of Parliament is not in any way delayed, that he might join a rather august group over there, along with the Prime Minister and perhaps at least one other Premier, in an effort to persuade the government and the Parliament of the United Kingdom to give the ratification swift passage, and that this august group would then pick up the British North America Act out of the Victoria Tower, put it in their briefcase and bring it back home by July 1?

Hon. Mr. Wells: I would like to make two comments, Mr. Speaker. First, I was interested in the first observation of my friend, because he really was indicating that he accepts as gospel truth everything he reads in the *Toronto Sun*.

Mr. Nixon: There is not a threat of court action on this one yet.

Hon. Mr. Wells: To the best of my knowledge that is the only place where that report has appeared. Secondly, I can assure the member that, as I said a few minutes ago, if the decision of the Supreme Court is in the affirmative—that is, in the sense that the federal government and the Parliament of Canada have the right to pass the constitutional package that is now before them—this government will give every possible assistance that is asked for by the federal government to attempt to get speedy passage of the constitutional resolution by the British House.

SENTENCING IN LABOUR DISPUTES

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Labour with respect to the outrageous sentence of 45 days handed out in the courts yesterday to Grace Hartman, president of the Canadian Union of Public Employees, and with respect to the other sentences, including 15 days given to Lucie Nicholson, president of the Ontario division of CUPE.

The Minister of Labour will be aware that, at the instigation of the crown attorney of Ontario, Jean-Claude Parrot, head of the Canadian Union of Postal Workers, was sentenced to jail a year or two ago and that Sean O'Flynn, head of the Ontario Public Service Employees Union, was also sentenced to jail.

He may also have seen in the newspaper today that Michael Clarke, aged 50, the vice-president of personnel and employee relations of K mart, and two other executives of the company were granted conditional discharges and a year's probation, despite the fact they were found guilty of having worked together to obstruct the organization of a union at K mart. They were not given criminal convictions because, according to the judge, they are long-term, valued employees who have had a succession of promotions within the company and they have fine family backgrounds.

Would the Minister of Labour comment on whether there is one system of justice for management and another system of justice for labour leaders in the province? If there is one system of justice for all, what will the Minister of Labour do to ensure labour leaders can benefit from an equal system of justice like everybody else in Ontario?

Hon. Mr. Elgie: Mr. Speaker, with the greatest respect, I think the leader of the third party knows quite well that the nature of sentences or decisions handed out by the judiciary is not within the scope of the Ministry of Labour. I

would suggest he direct that question to the Attorney General (Mr. McMurtry) when he is present.

Mr. Cassidy: Is the Minister of Labour, who is responsible for maintaining the climate of labour-management relations in the province, among other things, aware that in the case of Mrs. Hartman and the other representatives of CUPE the sentences were requested by the agent of the government of the province, the crown attorney, who asked for a sentence of 30 to 60 days in the case of Mrs. Hartman?

In the case of Mr. Clarke and his colleagues at K mart, the request for a conditional discharge and for them not to have to spend any time in jail, despite what they had done to obstruct the formation of a union, was put by the agent of the government of Ontario, the crown attorney in Brampton.

Contrary to what the minister says, this is not simply a matter for the courts. This is a matter of high government policy. Does the minister approve the high government policy of asking for jail sentences for labour leaders, while asking that management executives be let off with a slap on the wrist?

Hon. Mr. Elgie: The member for Ottawa Centre knows full well of my personal and vigorous involvement with regard to labour-management aspects of CUPE's illegal strike last winter. He also knows full well those are matters that should be directed to the Attorney General.

Mr. Renwick: Supplementary, Mr. Speaker: The minister is responsible to this assembly for the administration of the two acts under consideration. Is the minister concerned about the attitude expressed in court by the Attorney General through his agents? Is he concerned about the inequity of the three executives of K mart being not guilty of any offence in the final event and having no criminal records, while Grace Hartman and others are going to have criminal records?

Hon. Mr. Elgie: Mr. Speaker, I think the member for Riverdale knows quite well that although the Labour Relations Act comes within my jurisdiction, the K mart matter dealt with a conspiracy to defeat the purpose of the Labour Relations Act, a criminal action and therefore not within my domain. He also knows quite well of the great concerns and active involvement I have with regard to labour relations in this province.

Ms. Copps: Supplementary, Mr. Speaker: Will the Minister of Labour be advising the Attorney General that he hopes the government will appeal the decision?

Hon. Mr. Elgie: Mr. Speaker, the Attorney General is pretty capable of making those decisions himself and he will review Hansard.

10:20 a.m.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Health, who has just arrived in the House. Is the minister satisfied with the announcement made by the federal government that it intends to test only 2,000 of the 125,000 houses across Canada which have urea-formaldehyde foam insulation and that it intends to set up information centres in Toronto, Montreal and Vancouver? Specifically, does the minister think that is adequate for the people who have UFFI in Ontario? What steps does this government intend to take to discharge its responsibilities under the Public Health Act to protect home owners who happen to have that kind of insulation in their homes in Ontario?

Hon. Mr. Timbrell: Mr. Speaker, I do not yet have the full details of what Mr. Ouellet announced. I have asked staff to contact his office this morning—they are in the process of doing that now—to get some exact details. Once I know that, I will be in a better position to know whether that will be sufficient.

I believe in the expert report that was done for the federal government, or perhaps arising from that, it was recommended that a survey be done in the country, not of every installation, but of a certain number of homes in order that they could get some idea of the extent of any health hazard. Once they knew that, then they could take action.

Presumably the survey would not need to be of every house because I am told even Ottawa does not have lists of every installation. Once they have done the survey, they could determine further policy from that. I will be in a better position to comment once I have received from my staff the information that they get from Mr. Ouellet's office this morning and I can comment further on it early next week.

Mr. Cassidy: I would like to ask the minister whether he is satisfied with the way the local public health units are administering their obligations under the Public Health Act? Specific-

ly, is he satisfied with the way they are administering the duties that are laid upon them "to determine whether the existing condition of any premises . . . are a nuisance or injurious to health"?

In view of that obligation laid on the ministry and the local public health units, what does the minister say to the fact that the public health units in my city of Ottawa, and in Scarborough, London, Kitchener-Waterloo and other places across the province, are not doing the tests and say the tests will not be done in every home where the UFFI may be injurious to health, if the federal government is doing a kind of a Gallup poll by coming up with tests of 2,000 units out of 125,000 that are affected?

Is the minister satisfied with the present situation, with the failure of some public health units to carry out the tests? What steps will this ministry take to ensure that the obligations of the Public Health Act are met, that those people's houses that have been insulated will be tested and will be identified, and that they will be aided in getting compensation so they can get rid of this matter injurious to health?

Hon. Mr. Timbrell: Mr. Speaker, I am not sure whether the compensation part was commented on yesterday or not. Potentially the most important question that the federal government has to answer is what it is going to do about that. Certainly I do not envisage the provincial or municipal governments will be getting into any form of compensation plan with respect to retrofit. If there is going to be a program, in my view that must be the responsibility of the federal government.

As regards the testing, I indicated to the honourable member right from the very beginning, and so indicated to the federal minister, that the municipal health units and provincial ministry do not have the equipment or the personnel necessary to test every household. It is physically impossible with the resources available to test—the member says 125,000 homes; I do not know where the member gets his number, but it is impossible to test anything like that number of residences.

Mr. Foulds: If the problem is too big you will not cope with it?

Hon. Mr. Timbrell: That member's problem is never too big.

The health units have been making use of a variety of resources—in some cases the federal government's Enersave advisory program or private laboratories; in other cases they have been referring people, giving them names of

private concerns that can do the testing for them because they do not have the personnel or equipment. We have a list of some of the more pressing cases that we are asking the Ministry of Labour to assist us with. They have some equipment with which they can help us.

Again I emphasize that there are not enough people or machines to test 125,000 houses in a short period of time.

Mr. Nixon: Supplementary, Mr. Speaker: I cannot understand why the minister is so tentative and lacking in energy in this continuing issue. Is it true he said in his first answer that he was waiting to find out what is happening in Ottawa to see whether the response is sufficient, based on yesterday's statement? What is the minister going to do if he deems it insufficient?

Hon. Mr. Timbrell: Mr. Speaker, as the honourable member will recall, we have been pressing Ottawa to do two things: first, to do a survey; second, to establish a program in Ottawa to assist in those cases—and it may well turn out to be only one in 1,000, but no one knows at this point—where some retrofit is required.

I would remind the member again that in the report the experts were not able to say at what specific level it became a health hazard. As they could not say that at a certain level it was not a health hazard, they said it should be banned until such time as more was known about it.

We have been pressing the federal government to cover these two things. If they have covered them, we believe that should address the problem. I will know better later today.

Mr. Swart: Supplementary, Mr. Speaker: I do not understand how the minister can be so indifferent. Is he not aware of the tremendous concern of the people who have urea-formaldehyde foam in their homes?

This concern was shown in a poem which was read the other night at the Triumph Hotel where 500 people were present. It was written by Mrs. Patricia Clarke and concludes this way:

So I sit and worry and I fume and fuss:

Why won't our politicians do something for us?

Be honest, Mr. Trudeau, if your kids were affected,

You'd surely raise hell with the folks you elected.

And Mr. Bill Davis, despite your big grin,
You'd scowl and complain if your home had it in.

We need action now, not next week or next year.

Our homes should hold laughter, not danger and fear.

I have two letters here that the Ministry of Health sent to the health units. In them the minister did not even recommend they take tests. Even in the one sent out in February he did not recommend they get enough equipment, even though, contrary to what he says, it is available. Mr. Shirtcliffe of the National Research Council confirmed this.

I suggest the minister is negligent in carrying out his obligations under the Public Health Act. Why does he not test these homes and tell the people who are in such dire straits what they should do?

Hon. Mr. Timbrell: Mr. Speaker, if the honourable member would speak more slowly sometimes, I could understand what he is talking about.

We are well aware a great many people are concerned; there is no question about that. The question is, what is the most effective way to go about addressing those concerns.

Mr. Cassidy: The minister's answer is, do nothing.

Hon. Mr. Timbrell: No, Mr. Speaker, that is not the point. We have kept the health units fully informed. We have tried to keep the public fully informed. We have tried to keep the pressure on the federal government to come up with a program.

I will know better later today, once I know exactly what was said yesterday; we are getting those details from Mr. Ouellet's office. In fact, we may have been successful at this point in getting a program out of them that will be able to address those concerns.

Interjections.

Hon. Mr. Timbrell: There is no question people are concerned; there is no question we are concerned. We are going to ensure that we keep the pressure on the federal government to come up with a program to address those problems.

NORTHERN CABLE-TV SERVICING

Mr. T. P. Reid: Mr. Speaker, I have a question for the Minister of Northern Affairs in regard to TVOntario. Is the minister prepared to live up to his commitment announced on March 10, during the height of the election campaign, to provide low power broadcast signals to underserved areas in northern Ontario for TVOntario?

10:30 a.m.

Hon. Mr. Bernier: Mr. Speaker, we have

contacted all the unorganized areas that responded to the release made, I think, in the early part of March, whereby we indicated our desire to assist financially, particularly those unorganized areas that would not be serviced by cable systems. The response was very enthusiastic, but following that, of course, the federal government did license Cancom for a four-channel system right across northern Canada.

The program they have come forward with is much better than the one we had proposed. We have had meetings with Cancom, and we have had meetings with the unorganized communities to see what their preference would be. We have funds budgeted for this particular program. Once we get it sorted out with the communities and Cancom, we will be moving ahead with something that will be satisfactory, I am sure, to the unorganized areas.

Mr. T. P. Reid: The minister indicated there had been meetings held with the communities to get their views. I am not aware of any communities that have held these meeting unless they are in the minister's own area, as usual.

I have three points. First, when is the minister going to reply to the communities that have applied for the low power broadcasting service and tell them what is going on? Second, how much is in the minister's budget for this? Third, will the Cancom situation be for other channels or will TVO be one of those channels?

Hon. Mr. Bernier: I have responded to the communities. In fact, I just signed letters to some additional communities this morning. They will be notified of our intention to meet with them on an individual basis. The exact amount in the budget I am not sure of. It is a substantial amount, there is no question about that.

In connection with TVO in the Cancom proposal, this was one of the questions we did raise with Cancom because there was a strong desire in the rural areas of northern Ontario to have TVO as part of the package. The Cancom people are very adamant that the four channels they will be providing to the rural areas of Canada will far exceed the TVO single-broadcast system. Those discussions will go on, and we hope we can sort it out very soon.

Mr. Stokes: Supplementary, Mr. Speaker: I would like to ask the minister whether he will undertake to assist small unorganized communities that do not have a cable operator to get the wherewithal and the ability to receive the Cancom package, notwithstanding the fact they may or may not get TVOntario. Will the minis-

ter assist them to get the necessary hardware for the Cancom package in unorganized communities?

Hon. Mr. Bernier: Yes, this is part of the original proposal we made in connection with TVO. We would assist them financially to get that hardware and also assist them to get the federal licence they would require for their specific communities.

The proposal that Cancom came forward with is a very attractive one. Not only does it provide four channels for those rural areas, it also provides something like six FM radio stations. For an extra \$3,500 they have informed us we could provide an extra channel that the local community could use for its own rebroadcast system. The whole package for the unorganized communities, in a radius of about 10 miles, would cost about \$46,000, and we are looking at it very seriously.

SPECIAL EDUCATION STUDENTS

Mr. Grande: Mr. Speaker, my question is for the Minister of Education. In view of the Star article of June 10, in which we learned of the tragic treatment of special education children at D.B. Hood Community School in the borough of York, and in view of the allegations that the school principal and school board officials knew about the situation but took no action to remedy it, would the minister establish at once a commission of inquiry under the Education Act to establish precisely what took place at the school, with a view to making recommendations so that special education children in this province will never be abused in that way again?

Hon. Miss Stephenson: Mr. Speaker, at this point the only report I have seen is that which appeared in the newspaper. We are collecting information at this point. I am sure the matter can be investigated without the establishment of a special commission. We intend to do that investigation, and I am sure the requests that are made by the honourable member will be the result of that investigation.

Mr. Grande: Supplementary, Mr. Speaker: Since the minister does not believe that a public inquiry is required, does she agree that a protected and secure environment for special education kids is the most important aspect of a special education class? Would she not agree with me that placing special kids in a French immersion class or having special education kids sit in the principal's office and do work the principal gives them every afternoon, forcing

the children to flee the lunchroom and eat on the street for fear of being called derogatory names by the other students, flies in the face of the spirit of the special education law of this province and, therefore, an inquiry under the Education Act is called for, not just a simple investigation by her ministry?

Hon. Miss Stephenson: The whole thrust of the integration, where possible, of students who have been considered exceptional into the educational stream for the past decade has been based upon the need to develop a greater degree of tolerance on the part of those who would classify themselves as normal for those who may not be as fully endowed, both physically and mentally, or who have a disability. It is the intent, I believe, of every school board, of teachers, of principals and certainly of the Ministry of Education, to provide the most supportive atmosphere for educational purposes, not just for children with exceptionalities, but for all children. But we do have a special concern for those with exceptionalities, and I do believe it is possible.

Mr. T. P. Reid: What are exceptionalities?

Hon. Miss Stephenson: If the honourable member will read Bill 82, he will notice that the definition of those for whom that bill is designed is that they suffer from exceptionalities.

Mr. T. P. Reid: There is no such word as exceptionality.

Hon. Miss Stephenson: It has been defined in several dictionaries, both European and North American.

The activity we will be pursuing in investigating the allegations that have been made—and at this point they are allegations—I think will help to solve the problems, and will also give us information to tell us whether we need to do further investigation or not. I am not sure of that at this point.

Mr. Foulds: Final supplementary, Mr. Speaker: Does the minister not agree that if the spirit of Bill 82 is to be lived up to and if she wants to assure parents, not only of the children at the school my colleague refers to but across this province, that the bill will be adhered to in spirit as well as in letter, it is absolutely essential that the findings of her investigation be made fully and thoroughly public?

Hon. Miss Stephenson: I am not sure that it has a great deal to do with the total implementation of Bill 82, but if it will be of any assistance at all to any school child anywhere in the province, the findings will be made public.

ESSEX SCHOOLS DISPUTE

Mr. Mancini: Mr. Speaker, I have a question for the Minister of Labour. Is he aware of the strike between the Essex County Separate School Board and its caretakers that is presently under way? Is the minister at all concerned that a letter would be sent to the union informing them that all bargaining is at an end? Would the minister undertake to look into this matter, to ensure that the bargaining is an ongoing process so that a quick settlement may be obtained?

Hon. Mr. Elgie: Mr. Speaker, of course I cannot guarantee the member anything with regard to the achievement of a settlement, but I can tell him that a meeting is tentatively scheduled for June 15.

Mr. Mancini: Is the minister at all concerned by press reports that nonunion personnel have been hired by the board to clean the schools at night and that at a particular Amherstburg school seven nonunion personnel showed up to do about 10 minutes worth of work and these people had baseball bats in the back of their vehicles and also had with them what could be called an attack dog?

Does the minister share my concern that this type of situation could lead to violence? Would he promise to ask the Solicitor General (Mr. McMurtry) to have the Ontario Provincial Police confiscate the baseball bats and the attack dog?

10:40 a.m.

Hon. Mr. Elgie: Mr. Speaker, I have no information available to me to substantiate or refute the member's allegations, but I will certainly refer his question to the Attorney General.

Mr. Mancini: I have received a personal letter from the workers involved in this strike. They were on the picket lines when this vehicle approached, they witnessed the baseball bat in the back of the vehicle and the attack dog was taken out of the car. Since this matter has been brought to my attention by personal letter, does the minister now think there is enough credence to this matter for the Solicitor General to have the OPP move quickly to have the baseball bats removed and the attack dog taken away before a violent situation erupts?

Hon. Mr. Elgie: Mr. Speaker, I did not say the member might not have confirmation of his allegations. I said I did not and that I would draw the allegation and the whole issue to the attention of the Attorney General.

McKELLAR GENERAL HOSPITAL

Mr. Foulds: Mr. Speaker, I have a question for the Minister of Health if I can get his attention. The Ministry of Health has taken the extraordinary step of appointing an investigator into the affairs of McKellar General Hospital in Thunder Bay, presumably because of the labour and financial difficulties of that hospital and the previous reports of the Ontario Hospital Association and the resignation of the executive director and the director of nursing.

Can the minister tell us precisely what authority this investigator has and what his terms of reference are? What assurance can the minister give us that the findings and recommendations of the investigator will be made public so that the people in Thunder Bay who must use McKellar General Hospital can be assured the hospital will be meeting their needs?

Hon. Mr. Timbrell: Mr. Speaker, first of all the terminology is not "investigator," it is "inspector." Under the Public Hospitals Act I have the authority to appoint an inspector to go into any hospital for any reason, really. As the member knows, there have been a series of problems at that hospital in the last couple of years which have been drawn regularly to my attention by the local member.

Mr. Foulds: By both local members.

Hon. Mr. Timbrell: Yes, but particularly by the member for Fort William (Mr. Hennessy), in whose constituency it is located and by local citizens. I have been in Thunder Bay several times in recent months and every time I have been there people from all walks of life have raised questions with me. I suppose they emanate from the continuing attention the press has given to the various problems there. It is my view that to assist the hospital to get its house in order and to satisfy the people of Thunder Bay who regularly rely on McKellar General Hospital for its services, it would be best to appoint an inspector.

Under the terms of the legislation, the inspector really has authority to look into anything. Specifically, we have not yet chosen an individual or a firm. It could be either. When we do he, she or they will have the authority to meet with members of the board collectively and individually, with members of the medical staff and the nursing staff, with all staff for that matter, to assess the administration of the hospital and its care in order to come up with any recommendations appropriate to assist the hospital in the future.

I hope to be able to appoint the individual or the firm in the next week or two at the very most so they can get under way. I indicated to the board I would hope to have a report to it by September.

I can assure the member the report will go to the board, which is a publicly elected group, elected, that is, by the membership of the corporation. Once the board has had a chance to see the report, and we have had a chance to see it and to consider a response, I will be glad to ensure it is made public.

Mr. Foulds: I must say I appreciate the minister's answer. Can he assure us that the report, after it has been properly considered by the board and by the ministry, will not be unduly delayed in being made public? If I may editorialize for a moment, I am sure the minister would agree with me it is a matter of establishing, as soon as possible, confidence in the competence of McKellar General Hospital. It would be a very healthy thing to do that as openly and as quickly as can reasonably be expected.

Hon. Mr. Timbrell: I would concur with that. Let me say at the outset that I think McKellar is basically a good hospital. I am not for a moment questioning the quality of care or whatever. It has run into some problems. It is not—I think the member used the word—extraordinary, or something like that, to appoint an inspector. As a matter of fact, recently I appointed an inspector at the Kingston General Hospital to look at some problems there. Of course, with the Toronto East General Hospital I went further than that and appointed a full inquiry. From time to time it is necessary to assist in straightening out some problems. It is not extraordinary, but it does not happen every day either.

Mr. Foulds: Three out of how many?

Hon. Mr. Timbrell: About 235 or 240. But I agree it should not be delayed unduly because, in my view, it is basically a good hospital. The intent of appointing the inspector is to assist the hospital in resolving current difficulties, in order to satisfy the people of Thunder Bay that all is well.

DISCLAIMERS ON INVOICES

Mr. McGuigan: Mr. Speaker, my question is about phoney invoices and useless directories. I would like to ask the Minister of Consumer and Commercial Relations what he can do to stop the duping of business people by firms sending out invoices that are not really invoices? They

do have a disclaimer on them which I suppose makes them somewhat legal, but they do fool a great many people.

Could the minister make regulations that a wording on a diagonal basis be placed across the face of these invoices, as on specimen cheques, that would stop the abuse of this practice? I will send this over to the minister.

Hon. Mr. Walker: Is this the Intra Canada Telecommunications one? There seems to be a surfeit of these floating around, and they are a totally useless thing to participate in. They do contain a disclaimer and, looking at the one the member has sent over here, the Intra Canada Telecommunications one, it has French on it. There is a big battle over whether the English or the French should be first. At least now the Intra Canada Telecommunications ones contain a rather prominently displayed disclaimer. It says: "This is a solicitation for services and not a bill, invoice or statement of account due. You are under no obligation to make any payment on account of this offer, unless you accept this offer."

Of course, it is made to look like a bill, and I appreciate that, but it is phoney from the invoice point of view. It certainly is the kind of thing that none of us is comfortable about. We do not have any law within Ontario that would be contravened by this matter. Consequently, we have no way of attacking it other than to register complaints. We have been registering our complaints with the federal government, particularly with the Post Office and with the Department of Consumer and Corporate Affairs.

The Honourable Mr. Ouellet in Ottawa is looking at this matter and attempting to resolve it. They are making use of the Post Office, and they have been shut down for a while for contravening the Post Office Act, so that is one way of attacking it. We have been trying to employ the federal Post Office Act as much as we could to shut this kind of thing off.

10:50 a.m.

On the other hand, if a recipient of these were to look at this—a secretary in a business corporation, for example; in this case it would be a business, of course, and a corporation is not covered under any of our acts—we think that he or she should look a little closer at it and conclude that it should not be paid.

There is no question that the disclaimer on it is sufficiently large to make anyone aware of the fact that it is not an invoice. The problem comes

when someone is rather sloppy. One might glance at it and send off a cheque—in this case for \$70.20.

The member for Sarnia (Mr. Brandt) brought this matter to my attention yesterday. We have had a number of these in. Frankly, we are very unhappy with the fact that these are continuing. We are arguing with Mr. Ouellet and with the post office department that these things should be shut down.

Mr. Breithaupt: Supplementary, Mr. Speaker: What are the prospects for dealing with this matter by suggesting some amendments to the Criminal Code? While I realize that caveat emptor applies to a certain extent here and that one should read these invoices, it seems clear this is really part of a fraudulent venture. Might it be of some use to consider recommending those matters as Criminal Code matters as well as attempting to deal with their dissemination through the Post Office regulations?

Hon. Mr. Walker: I appreciate the member's suggestion. In light of it I will send copies of this to the Attorney General, ask if it is possible that these matters contravene the Criminal Code and, if they do, whether any prosecutions can proceed. On the other hand, some amendment to the Criminal Code may be required in order to allow these to come within the purview of the act.

Mr. Bradley: Supplementary, Mr. Speaker: Is the Minister of Consumer and Commercial Relations for Ontario prepared to intervene with this company personally or through his department to suggest that his ministry is dissatisfied with this? Even though he may not at present have the legal right to prevent it from happening, would he not feel it would be useful for him or the business practices division of his ministry to approach the principals of this company to let them know that he disapproves of this and wishes it to be discontinued?

Hon. Mr. Walker: Mr. Speaker, we have been fighting with them for years on just this very thing, and we have been unable to do anything about it. Does the member realize that the act we have protects consumers but does not protect corporations, that it is not meant to do so and is designed in a totally different way? We do not have a law against which this can be applied.

I will say, though, that we have had continuous arguments with the people who operate this company. The member for Kent-Elgin (Mr. McGuigan) has sent over an invoice that was dated April 7, 1980, I believe. If the member

were to compare it with the one I have in my hand, dated April 1981, he would see that there is a difference in the wording. The one dated 1980 was worded in such a way that the French occurred first and the English disclaimer was buried in the centre of the French; and of course it was lost on probably 90 to 95 per cent of the recipients because of the way it was buried and hidden. Truly it was a ruse; truly it bordered on the fraudulent and may indeed have encroached further on it.

So the former minister, my colleague beside me, has made some strong overtures, and at least there has been a change in the disclaimer such that the more recent disclaimer I have in my hand would show anyone that it was not a bill if only he took the time to read it. The problem comes when the secretary receiving the invoice does not read what it says and simply sends on the \$78 to pay for this phoney invoice, which of course is what it is. So some progress has been made in wording, but that is all.

DOMESTIC WORKERS

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Labour. Since the minister has on three occasions cancelled meetings arranged with the International Coalition to End Domestic Workers' Exploitation and the Ottawa-Carleton Immigrant Services Organization, will the minister show that he is not just interested in this group of workers before an election and set a firm date and an early date to discuss with these groups the gross inadequacies of the regulations brought in on January 1, 1981, for domestic workers?

Hon. Mr. Elgie: Mr. Speaker, if the implication there is that I am refusing to meet with Intercede, the member knows full well that is inaccurate and a gross distortion. She knows very well, as Mrs. Gregory, the chairman of Intercede knows, that a subsequent obligation came along that took priority and I simply said I would have to postpone the meetings. I am sorry that it happened on two or three occasions but that is something I have to accept in terms of my priorities. I cannot accept the member's criticism that there are gross inadequacies in the Legislation. I think it is progressive legislation and we are proud of it.

Ms. Bryden: I understand the group was told it could not have a meeting until the session was over and that may be quite some time. They have been trying since January. I would like to point out, as far as the gross inadequacies go,

that these regulations govern only time off and do not govern time on, as is done in most legislation. As a result, a domestic could be required to work or be on call for 132 hours a week for a minimum wage of \$132, or \$1 an hour.

Hon. Mr. Elgie: Mr. Speaker, again let me just reiterate, there is no problem with arrangements on my part to meet with Intercede, but if the member is saying that I do not have scheduling problems during the sitting of the session, I have to tell her, she is wrong and I would be pleased to discuss it with her at any time. With regard to the regulations that were promulgated in January—and I know the member may not accept this approach—but this government feels it has an obligation to ensure retention of employment possibilities in society, so we approached the issue of domestic regulations in a different way from average minimum wage concept.

First of all, we felt it was necessary to limit the amount of bookkeeping and record keeping that was necessary for householders because I have to tell the member, a householder can't sit there with a time clock checking who has worked what hours and for what period of time during each day. That is just an impossibility, so there had to be another approach.

Secondly, the issue of the remuneration for domestic services had to be looked at differently. We did not look at the lowest wage that was paid, we looked at what the marketplace was paying on average. Therefore, it was a completely different approach. Finally, again, in an endeavour to try to minimize the bookkeeping efforts and ensure the continuity of employment and the availability of employment for domestics, we felt we should ensure that there was certain time off.

I tell the member quite sincerely there is no problem in domestics finding alternative employment. An investigative reporter who looked into this matter in January—the member will recall the article well because I know her sincere interest in this problem—had it confirmed that if hours of work were not satisfactory, it was very easy to find alternative employment.

Ms. Copps: Supplementary, Mr. Speaker: If this legislation is so progressive why is it that from the \$132 guaranteed a week we deduct \$50 for room and board? Why has Ontario not seen fit to follow the progressive legislation established in Quebec which does set a minimum of 55 hours a week worked?

Hon. Mr. Elgie: Mr. Speaker, first of all, if the member is suggesting that there should not be a deduction for room and board, I think that is a pretty unusual concept. The amount is right in line with deductions for room and board in other settings and I would remind her that it does not say—

Mr. Cassidy: Then make the pay comparable to other settings.

Interjection.

Mr. Speaker: Order.

Hon. Mr. Elgie: I do not care what the member thinks. I am telling her the facts. It does not say it shall be \$50, it says up to \$50. Let me assure the member that if the room is not being used for the full time, if meals are not being served, then the amount deducted is not \$50. I do not happen to agree that Quebec's legislation is more progressive than ours. I think ours, as usual, is progressive and practical.

QUEEN STREET MENTAL HEALTH CENTRE

Mr. Ruprecht: Mr. Speaker, I have a question for the Minister of Health. The government has done a role study of the Queen Street Mental Health Centre and paid in excess of \$100,000 to McKinsey and Company in 1978. Why has it contracted yet another role study of Queen Street, this time by Peat Marwick and Partners, for a sum considerably in excess of \$100,000? Is the enriching of business consultant firms doing redundant studies in the best interests of the taxpayer?

11 a.m.

Hon. Mr. Timbrell: No, Mr. Speaker. In fact the study done three years ago was very helpful at that time. Questions have been raised by a number of people, the member included, about some of the aspects of the organization of Queen Street Mental Health Centre. An example is the open-door policy which is something that member is opposed to. He wants them all locked up and everybody put in chains.

The fact is there are a number of current questions about the organization of Queen Street—the programming, whether it should continue to be on geographic services and if not how they should be organized. I will be glad to supply the member with the terms of reference of this study. We will get into a number of different areas than the earlier study did. It looked at all of Metro really, and the catchment areas of the then three psychiatric hospitals.

Mr. Ruprecht: Mr. Speaker, I am sure the minister has read this document. The role study is concerned to a very great degree with the Queen Street Mental Health Centre's relationship to and service delivery in the community. Despite this focus this study does not specifically plan to meet with any community group. Further, it indicates they intend to rely on the Queen Street Mental Health Centre staff for information about the community and its needs. How can the minister expect anyone of sound mind to take this study seriously, to accept it as a genuine attempt to gather useful information, rather than a thinly-disguised and very costly ploy to justify governmental prejudices and foist them on an unsuspecting community?

The minister should realize communication is necessary between the community and the hospital. Is he willing to look at this study and tell the Queen Street Mental Health Centre to get in with the community groups and discuss the relationship on that basis?

Hon. Mr. Timbrell: I think we are now talking about two different things, Mr. Speaker. A role study, whether for Queen Street or any other health facility, is a different matter than the question of community relations. I agree there is certainly room for improvement in the relationship of the Queen Street Mental Health Centre to the community around it. There is no question about that. In fact the matter was drawn to my attention by the member for Bellwoods (Mr. McClellan).

A meeting is coming up next week where some of the local community groups want to talk about the open-door policy. Apparently they have not been successful in getting anyone from the branch to attend. I have sent instructions that people are to attend because I agree there is a need for improvement there. Out of that will come a better understanding of what the policies really are, why they exist and what goes on there. Over the years I have repeatedly urged the public to visit the psychiatric facility so they will know what goes on there and there is not this continuing fear of the unknown and total misunderstanding of what psychiatric programs are and what they are intended to do.

GOVERNMENT PROTECTIVE SERVICE

Ms. Copps: Mr. Speaker, on Thursday you told this House that claims made by certain member of the Ontario Public Service Employees Union were a pack of lies and that they were done to aqut grudges. I understand those

statements were made without getting the other side of the story, without speaking with representatives of OPSEU.

I would ask that you come back to this House with a full report of the situation, taking into account both sides of the story with respect to the Ontario Government Protective Service's problem and the Ontario Provincial Police problem.

Mr. Renwick: Mr. Speaker, as a member of the assembly I feel my privileges were abused by the association of your office with the report you read into the record yesterday. I have had an opportunity to read the Hansard for yesterday in order that I could fully understand what has been said.

I want to say to you, Mr. Speaker, that I believe my privileges have been abused in two respects. One is by the association of your office with the statement in the first place, but particularly by your association with the unrestrained and unguarded language of that report questioning the veracity of members of your staff in a matter which you, sir, should have known would be a matter of grievance under the agreement covering those workers and, indeed, protecting them.

Mr. Speaker: Thank you very much. For the information of all members, I did not make the statement. I read from a memo I had. I have asked for a full report on this incident, and I will make it available to all the honourable members as soon as I have it available.

Mr. Mackenzie: Mr. Speaker, on a point of privilege: Do you realize that by reading a statement into the record, where there is a grievance, that what these people had said was a pack of lies, you have in effect found them guilty before they have had the grievance procedure proceeded with? What you have done is a grave disservice to those employees, regardless of the facts of the case as they finally come out. I think it raises serious questions as to your impartiality as Speaker of this House.

Mr. Foulds: Mr. Speaker, if I might speak to this point: I think the essential point that concerns members of the Legislature is that your office be seen to be a fair and even-handed one. In this case, you read into the record a report as if it were gospel when it represented only, if I may say so, one investigation of the problem. You have now assured us you will give members a copy of a full report. I think you have the duty to inform members how you intend to go about accumulating and putting together that report so it is indeed a full and fair report.

Mr. Speaker: For the information of all members, that memo was read into the record as a result of a question that was asked. I had no prior knowledge of it. I have no knowledge of the incident per se. I have asked, as I say, for a full report on the matter.

Before proceeding with the routine proceedings, I wish to draw the honourable members' attention to a group of distinguished visitors in the Speaker's gallery, representing the Canada study tour of the British Atlantic Group of Young Politicians. I ask the House to join with me in welcoming them.

PETITIONS

NORTH HASTINGS ACTION COMMITTEE

Mr. Pollock: Mr. Speaker, I have a petition from the North Hastings Action Committee. It has 2,958 names on it and it protests the dumping of nuclear contaminated soil in North Hastings. This is a result of a meeting held last night in the North Hastings Senior Elementary School and attended by some 400 people.

They voiced their disapproval of Ontario not doing everything possible to prevent this nuclear-contaminated soil coming into their particular area. They also said the mine was not zoned as a dump and, therefore, it was violating zoning bylaws. I present you, Mr. Speaker, with this petition and ask you to direct it to the Ministry of the Environment.

Mr. Foulds: Mr. Speaker, before we proceed, is it not normal to read the wording of the petition into the record before it is submitted so that the members know the intention of the petition and who it is addressed to? I certainly sympathize with the honourable member. I am sure he will now agree that we in northern Ontario have reason for concern about the high level of nuclear waste the government intends to dump in our backyard.

11:10 a.m.

Mr. Speaker: That has been the practice, but I do not think there is any requirement. It is at the discretion of the honourable member. He did say the petition was registering disapproval of the decision.

Mr. Foulds: Mr. Speaker, is it a requirement that it be addressed to the Lieutenant Governor in Council?

Mr. Speaker: That is right. That is normally the preamble which is read out.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Philip: I will read mine, Mr. Speaker.

This is a petition signed at a meeting by a group of people who had suffered from having urea-formaldehyde foam insulation. There are 253 signatures. It is addressed to the Lieutenant Governor and the Legislative Assembly of Ontario. It states as follows:

"We, the undersigned, express deep concern at the health hazards, economic loss and structural dangers to owners and occupants of homes insulated with urea-formaldehyde foam and humbly pray that you and your honourable House may take immediate steps to:

"1. identify all housing units in Ontario that are insulated with urea-formaldehyde foam;

"2. make periodic tests for urea formaldehyde gas in all such homes, record any health symptoms experienced by occupants exposed to the gas and issue instructions to the victims as to the steps they should take to protect their health and equity in their homes; and

"3. work with the federal government in producing a plan to remove urea-formaldehyde foam insulation from all homes at no cost to the owner."

I table that petition, Mr. Speaker.

INTRODUCTION OF BILLS

ELECTION AMENDMENT ACT

Mr. Swart moved, seconded by Ms. Bryden, first reading of Bill 111, An Act to amend the Election Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of this bill is to provide that the time references in the act are references to the current time system and that the polls will be open from 9 a.m. to 8 p.m., whether on standard or daylight saving time.

The second part of the bill broadens the use of the proxy vote. After the writs have been issued, any person who is entitled to be on the list of voters and expects to be absent from his polling subdivision during the election period, including the advance polls and polling day, is entitled to a proxy vote.

WORKMEN'S COMPENSATION AMENDMENT ACT

Mr. Mackenzie moved, seconded by Mr. Charlton, first reading of Bill 112, An Act to amend the Workmen's Compensation Act.

Motion agreed to.

Mr. Mackenzie: Mr. Speaker, the purpose of the bill is to protect the employment rights of an employee who is entitled to compensation under the Workmen's Compensation Act.

The bill prohibits an employer from terminating the employment of an employee who becomes entitled to compensation under the act for a period of one year following the date on which the employee became entitled to compensation unless the termination is authorized under the terms of a collective agreement or the termination is approved by the Workmen's Compensation Board.

It is designed to stop the insidious practice, which now is going on at an increasing rate, of employees being injured on the job, particularly when they have had only two or three months' employment and, a week after they are injured and home on workmen's compensation, getting a notice from the company that their employment has been terminated.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day, I wish to table the answer to questions 100 and 101 standing on the Notice Paper. [See appendix, page 1558.]

ORDERS OF THE DAY

THIRD READINGS

The following bills were given third reading on motion:

Bill 48, An Act respecting Massey-Ferguson Limited;

Bill 76, An Act to amend the Tobacco Tax Act;

Bill 81, An Act to amend the Racetrack Tax Act.

MILDOVE MINING COMPANY ACT

Mr. Williams moved second reading of Bill Pr1, an Act to revive Mildove Mining Company Limited.

Motion agreed to.

CITY OF TORONTO ACT

Mr. Renwick moved second reading of Bill Pr2, An Act respecting the City of Toronto.

Motion agreed to.

SIOUX PETROLEUMS LIMITED ACT

Mr. Breithaupt moved second reading of Bill Pr3, An Act to revive Sioux Petroleums Limited.

Motion agreed to.

STACEY'S CUSTOM UPHOLSTERY LIMITED ACT

Mr. Robinson moved second reading of Bill Pr5, An Act to revive Stacey's Custom Upholstery Limited.

Motion agreed to.

COUNTY OF LAMBTON ACT

Mr. Brandt moved second reading of Bill Pr6, An act respecting the county of Lambton.

Motion agreed to.

CITY OF WINDSOR ACT

Mr. Newman moved second reading of Bill Pr7, An Act respecting the City of Windsor.

Motion agreed to.

Mr. Newman: Mr. Speaker, I suggest that it be sent to the committee of the whole House.

Ordered for committee of the whole House.

LONDON BAPTIST BIBLE COLLEGE AND LONDON BAPTIST SEMINARY ACT

Mr. Nixon, on behalf of Mr. Sweeney, moved second reading of Bill Pr10, An Act to incorporate London Baptist Bible College and London Baptist Seminary.

Motion agreed to.

11:20 a.m.

Clerk of the House: The twentieth order, resuming the adjourned debate on the motion for second reading of Bill 69, An Act to amend the Ontario Unconditional Grants Act, 1975.

Mr. Renwick: Mr. Speaker, on a point of order: I wish to ask the government House leader if it would be possible, with the consent of the House, to call Bill Pr2, An Act respecting the City of Toronto, for third reading.

Hon. Mr. Wells: Yes, Mr. Speaker, that would be agreeable to me. I would be agreeable to doing all the private bills for third reading. I had assumed we would do that, but they were not called or put for third reading. I would be glad to go back over them and do third readings. Let us start with Bill Pr1.

THIRD READINGS

The following bills were given third reading on motion:

Bill Pr1, An Act to revive Mildove Mining Company Limited;

Bill Pr2, An Act respecting the City of Toronto;

Bill Pr3, An Act to revive Sioux Petroleums, Limited;

Bill Pr5, An Act to revive Stacey's Custom Upholstery Limited;

Bill Pr6, An Act respecting the County of Lambton;

Bill Pr10, An Act to incorporate London Baptist Bible College and London Baptist Seminary.

Ms. Fish: On a point of order, Mr. Speaker: I am sorry I was not listening sufficiently carefully to the readings, but did I hear third reading of the fifty-eighth order, Bill Pr7, An Act respecting the City of Windsor?

Mr. Speaker: No. It was referred to the committee of the whole House.

Ms. Fish: Thank you.

REMARKS BY SPEAKER

Mr. Cassidy: Mr. Speaker, I rise with some concern to raise a question of privilege with respect to the report in the Toronto Star today on yesterday's events.

The Toronto Star quotes you, Mr. Speaker. I will read the passage and ask if you can give us some explanation of exactly what this means, because it raises very disturbing implications in terms of the way that the chair is carrying out its obligations.

It quotes you in a couple of comments about the day and says:

"He knew from the standing orders"—that is you, Mr. Speaker—"that when he 'named' Smith, which means to throw him out, that it was not debatable and that no vote was needed."

It goes on to say, "'Calling the vote was a deliberate mistake,' he said."

If I can go back to the events of yesterday, Mr. Speaker, after you had named the Leader of the Opposition (Mr. Smith) and the Sergeant at Arms was about to escort him from the chamber, the decision to name the Leader of the Opposition was challenged from this side of the House, by the NDP and by the Liberal House leader. At that point you said, "Call in the members", and we then proceeded to prepare for a vote.

It says here that calling the vote—and I

presume there was that action at that time—was a deliberate mistake. The thing that concerns me in particular is your suggestion that it was a deliberate mistake. In other words, agreeing to call in the members at that time on the challenge to your ruling was something that was deliberately flouting the rules of the Legislature, because it was your opinion that no such vote could be held on the naming of a member.

I am concerned about that because, if you were saying that from time to time, in exercising your duties, you intend to deliberately break the rules of the Legislature, then it puts this chamber in an impossible situation. Not only will we not know what the rules of order are, but also we will not know when you make rulings whether those rulings are in order or whether they are deliberately flouting or breaking the rules of the Legislature. Frankly, we in this party count on you, as Speaker, to uphold the rules of the Legislature, and not to break them.

I would appreciate knowing whether the quotation is accurate. I would also appreciate having some explanation of just what you meant by the quotation and how you intend to apply the rules of the House in the future.

Mr. Speaker: Order. I have not had the opportunity or the benefit of seeing the article. I shall take a look at it and make a report.

The twentieth order has been called.

ONTARIO UNCONDITIONAL GRANTS AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 69, an Act to amend the Ontario Unconditional Grants Act, 1975.

Mr. Wrye: Mr. Speaker, I just want to make a few remarks. I know the member for Windsor-Walkerville (Mr. Newman) rose in his place, as he does each year and will continue to do each year until we in Windsor get some justice from the government on these grants, and he spoke at some length regarding the problems we face in our community.

I want to add my voice to the debate and to make a few points in the hope that the minister and his parliamentary assistant (Mr. Rotenberg), who introduced this legislation last night for second reading, will take note and perhaps make the changes.

Let me start out, since I have some of the materials at hand, with the matter of the police grants. As the members know, the grant for municipalities was increased this year, and is

increased by this bill, by some \$2 to a total of \$12 per capita, under section 2 of the bill. But the grants for regional municipalities are also increased by \$2; so the inequity of \$5 remains.

I say it is an inequity because, while it has been argued that regional municipalities have special concerns, surely border municipalities have equally special concerns and, in fact, may have greater concerns. I speak not only of the city where I live but also of the area represented by the member for Welland-Thorold (Mr. Swart) and the member for Niagara Falls (Mr. Kerrio) in our party. That area has the same kinds of concerns, and yet the government goes on and on refusing to recognize the unique nature of those concerns.

I might add that the government has made some claim that in increasing the grants by \$2 across the board it has given generous amounts of new money. I say to the government that perhaps it should be talking to the municipalities a little more and finding out what their problems are. The municipality I live in will have police costs this year of well over \$12 million, and the paltry sum of \$240,000 in additional grants will not go very far.

11:30 a.m.

I ask the government again to look at its truly discriminatory policies, which the member for Ottawa East (Mr. Roy) spoke about at some length last night, and to make changes to bring the grants up to an equal footing so that any number of municipalities in Ontario, such as Windsor and Ottawa, are placed on an equal footing with the regional municipalities.

There is simply no excuse for the disparity in grants to continue. Were the grants brought up to an equal footing of \$17 per capita, there would not be a disparity that this year will cost the city of Windsor some \$1 million.

I note with interest that the member for Sarnia (Mr. Brandt) is in his seat this morning. I do so because, when it comes to resource equalization, the member for Sarnia will be something of an expert since he has joined the members for this area in their concern over the amount by which we literally have been ripped off by the government over many years.

Now that he is on the government side, I hope we can expect great things and the inequities we have faced for so long will finally change. However, so far the member for Sarnia appears to be more interested in toeing the line than in bringing justice to our community and to his community.

I know the member for Windsor-Walkerville

spoke at some length last night. I want to remind the parliamentary assistant that the chronology of these events goes back to the days when he held forth in the council of the city of Toronto. It goes back to October 30, 1973—we have been waiting eight years for this promise to be kept—when we first raised with the then Treasurer, the former member for Chatham-Kent, Mr. McKeough, that we were being shortchanged.

At that time we caught on because London's equalization payments exceeded those of Windsor by some \$2 million in spite of the fact that the populations were nearly the same. Somehow they had come up with a calculation that London was a less wealthy city than Windsor.

I suppose for us the watershed came in a letter to the member for Windsor-Walkerville from the former Treasurer on August 8, 1977. I want to read it into the record one more time so that perhaps the government will take a look at the letter and begin to understand we are not asking for something that is not our due.

He said, "It is a well-known fact that the existing system of equalization factors for adjusting assessment leaves something to be desired"—we all know that—"and that some changes are under way." He said, "I agree further that there is a particular problem in connection with the city of Windsor."

While there may be a particular problem, some \$40 million later we have had no simple justice, we have had no relief and we still stand very short on services.

It is our concern that, should this shortchanging of Windsor continue, some of the labour problems now present in Windsor and some of the problems of continuing delays in capital works will continue. Indeed, the problem, which places our city well behind the national average in such things as park land for its citizens and other amenities, will continue.

The community is already straining the taxpayers to the limit. We are one of the highest-taxed municipalities, and we simply cannot cope with the ridiculous situation where our taxpayers are being shortchanged and are being overtaxed on an average assessment this year to the tune of some \$80 per home.

I want to read into the record part of a letter written to the Minister of Intergovernmental Affairs (Mr. Wells) by Mayor Weeks of Windsor on April 8 of this year as well as some of the response that was sent. The letter reads:

"Dear Tom: May I gratefully acknowledge the special \$209,000 loss-of-tax-revenue grant which was received here on April 6. This

remittance was especially welcome in view of both the very difficult circumstances we have been experiencing and the concern and uncertainty over this year's resource equalization grants.

"As you know, the city of Windsor has been a major victim of an inequitable REG formula. In fact, there have been some years where we were deprived of any grant at all, although the ad hoc payments in 1979 and 1980 partially alleviated that situation and approached about 50 per cent of the grant level to which we might otherwise have been entitled.

"Now, finally, a more equitable formula has emerged only to find Windsor still on the short end of the stick because of the 1979 market value equalization factor. This has come about as a result of the great expectations for the auto industry, which, as we all know too well, grossly inflated the 1979 Windsor real estate market.

"Instead, as we know only too well, the auto industry is experiencing the worst slump in its history, and by early 1980 real estate prices accurately reflected that decline. In fact, values are even now lower than before the 1979 boom started, as Windsor continues to grapple with economic distress and the highest rate of unemployment in all of Canada.

"All of this could mean another unreasonably low grant for 1981 and again in 1982." Indeed, that is coming to pass; we will get some \$4 million instead of the \$8.2 million that is rightfully owing to us.

To continue with Mayor Weeks's letter: "Needless to say, this prospect is extremely disturbing, and in view of the circumstances I would hope that your statement that a municipality's equalized assessment for municipal apportionment purposes would not be allowed to increase or decrease by more than five per cent will apply instead, because if the same criterion is followed in limiting the equalization factor this year, we will benefit to the extent of some \$8.5 million.

"We would greatly appreciate a meeting to review this matter with you at the earliest opportunity. Other than the economic distress already touched on, which has helped cause substantially increased welfare costs, et cetera, the REG can have considerable bearing on our 1981 tax levy. Windsor taxes, as you know, are among the highest in the province, and will increase this year by a minimum of 10 per cent. That figure could be even higher unless a reasonable decision can be arrived at to protect our taxpayers from further grant losses. Thus, I will look forward to your early response."

Three weeks later the mayor of Windsor received a response. In the response, the Minister of Intergovernmental Affairs did indicate that the ad hoc grants paid in 1980 would not be reduced, and that as a result we would get some \$4 million again this year. Unfortunately, given the fact that he is now the minister in a majority government, the minister found that he would have no time even to entertain a delegation from my community to come down and explain its point of view and its concern.

I find that rather distressing, since Windsor is one of the largest municipalities in all of Ontario. One would have thought the minister could at least have found an hour or two out of his busy schedule to hear the submissions from the city of Windsor. So, unfortunately, as the member for Windsor-Walkerville knows, there will be no annual pilgrimage this year because, had they arrived in Toronto, the pilgrims would have found the minister was too busy to receive them. So it often appears to go with this government.

I say to the parliamentary assistant, the member for Wilson Heights (Mr. Rotenberg), that we for our part would appreciate it if that request were reconsidered and if at least a hearing were given to the city. We hope some assistance will be given to the city of Windsor and to all the other municipalities on the very inequitable matter of the police grants. We hope that over time—sooner rather than later, because it has been some eight years, we are some \$40 million short now and the deficit is growing by several million dollars each year, and as it grows our capital works projects remain uncompleted—we will finally get some justice in ending the shortchanging on resource equalization grants.

11:40 a.m.

Mr. Swart: Mr. Speaker, in rising to speak on this bill I recognize there is nothing more complex than the formula for municipal grants in this province—or the division of levies between municipalities and either regional government or a county.

I was intrigued by the fact the parliamentary assistant, the member for Wilson Heights, who was in municipal life for many years, read all his opening comments. I would like to think it was not because he did not fully understand all the aspects of this bill, but I will not attribute that to him. With his years in municipal life he probably does understand it fully. If he does, he must realize the damage that is being done to the

municipalities and particularly the police forces with the inadequacy of the assistance being given to them.

My colleague the member for Beaches-Woodbine (Ms. Bryden) pointed out that many of the sections of this bill are really housekeeping. I would commend the parliamentary assistant for having brought in those housekeeping measures. They make the administration easier, bring many aspects of the grant system a bit more up to date and eliminate some of the delays that have been prevalent. But there are two important sections that are so inadequate this party cannot support the bill before us at the present time.

I am very disappointed the member for Cochrane North (Mr. Piché) is not here today because I know a few days ago he had a very real desire to get into the debate on the Gasoline Tax Act but was kept from doing so. He knew it was going to hurt the residents of northern Ontario. Even last evening one could see he was very agitated about this bill and just could not wait to get on his feet to point out its shortcomings.

The two clauses we object to are the most important clauses in the bill. One is the low grants for the police—they are wholly inadequate. That is the only way one can describe them. They are far below the grants given by almost every other jurisdiction throughout the democratic world for the operation of police forces. The sad part is they have been dropping pretty substantially. I would hope the parliamentary assistant will listen to these figures after he gets some very excellent advice from my colleague the member for Port Arthur (Mr. Foulds).

That same parliamentary assistant was a member of the municipal liaison committee which used to meet with this government. I can recall him taking the government to task for the inadequacy of the grants that are being given to municipalities. He is knowledgeable about municipal affairs from his years on the liaison committee and his statements are on record. He got to be chairman of that committee, I believe.

Mr. Rotenberg: No.

Mr. Swart: No? It is as tough getting to be chairman there as it is getting into the cabinet here, is it not?

However, he was involved in the municipal organization and very strongly put forward the municipal viewpoint that the grants were very inadequate. They have been getting much worse since this gentleman has been in the House. I

presume, therefore, that if he really takes a good look at this bill, he will want to take it back and revise those sections so that the municipalities get a fair deal and this party is not forced to vote against the bill when the vote finally comes.

Let me give an example of what has happened in the Niagara region, Mr. Speaker. In 1977, which of course was the previous election year and the year the grants were raised the last time—obviously just a coincidence, Mr. Speaker; you would recognize that—the total expenditure on a police force for the Niagara region was about \$16 million, of which they received approximately \$5,550,000 from the provincial government by way of an unconditional grant. In 1978 their expenditures went up to \$17,804,000 and their grants went up by \$50,000. In 1979 their expenditures went up to \$19 million and the grants went up by another \$20,000. In 1980 their expenditures went up to \$21,400,000 and their grants went up another \$8,000 that year. In 1981 they are going to spend somewhere between \$24 million and \$26 million, and the grants, because this again was an election year, have this year gone up about \$750,000.

This means—and I am sure this is typical of the municipalities throughout this province—that while the costs of policing in Niagara have increased by \$10 million, from \$16 million to \$26 million, which is 66 per cent, the assistance provided by this provincial government has gone up \$830,000 or 15 per cent. While costs have gone up 66 per cent, grants have gone up 15 per cent.

At the present time in a place like the region of Niagara more than 55 per cent of the total municipal taxes levied by the regional municipality of Niagara have to go to the police forces. I say to the minister that it was inadequate when the parliamentary assistant was in municipal government, but since he has been a member of the Legislature for the party represented by that government, it has become much worse. I guess that has to prove one thing or the other, does it not? Either he was insincere before or he is insincere and has no clout now to get that situation corrected.

Surely if in those days municipalities were shortchanged on provincial grants, it is much worse at the present time. Although that is bad enough, the facts are that municipalities that do not happen to be in regions—or separated cities and towns—are getting far less in grants. As the member knows, they only get about 70 per cent as much as the regional municipalities.

Once again, the honourable member knows

that the municipal associations have been demanding equality in these grants. He knows that these larger grants, inadequate as they are, were given in the first place to regional municipalities to encourage them to get into policing and also to kind of sweeten the bad image that regional municipalities have across the province. The government has not formed any regional governments for many years. Why does it not now take the very obvious and the very fair step of bringing the grants which those separated towns and cities receive for policing up to at least the same level as the grants that are being paid to the regional municipalities?

I have a resolution here passed by the Association of Municipalities of Ontario. The parliamentary assistant remembers that organization, does he not? He was a member and a major spokesman for it. The resolution of the 1978 annual conference reads: "Therefore, be it resolved that the provincial government be petitioned to treat all municipalities alike with regard to financial support of the municipal police."

Does the member no longer agree with that? He agreed with it when he was there. What is his answer to it now? I hope he will speak about that when he gets up to reply to the speakers who have taken part in this debate.

11:50 a.m.

There is another sad thing about this. It is generally the smaller and poorer municipalities, the ones that may have their own small police force or the ones that have contracts with the Ontario Provincial Police, the ones that can least afford it, that are getting the lower grants. As if that is not enough, section 7 of the act provides that under equalization payments the government is going to limit the amount of money the poorer municipalities will get.

The parliamentary assistant knows the present act provides that municipalities get an equalization of up to 60 per cent of the amount of their deficit. That is in section 9 of the act. He also knows that section 9 of the act says the amount of the grants shall be based "in a manner and subject to such limits as may be prescribed." An average assessment per capita is set throughout the whole province, an average wealth for municipalities. The government says the tax-raising ability of the poorer municipalities should be brought up through these resource equalization grants—there is no argument about that—although they should only be brought up to 60 per cent of the deficit.

The harshest and most unfair aspect of this is

the fact that the government sets limits. The municipalities may only get up to 25 per cent of the amount of their tax levy, so the poorest municipalities have a set limit. They only get that certain limit and have to raise the rest from the local taxpayers, who are generally the poorer taxpayers because their assessment is low in the municipality.

I know my colleague from northern Ontario will speak on this. The harshest application is in northern Ontario and in the poorer municipalities throughout this province where the assessment per capita is lower.

Do the members know what this limitation, this reduction of the percentage of assistance to municipalities generally, does? It means more must be raised out of the local taxes. We all know the property tax is not based primarily on the ability to pay. Some modifications have been made that have reduced to some extent the regressiveness of the municipal tax, but it is still substantially regressive. In a society on a restraint program, where those with lower incomes are already being hurt the most, we should not add this kind of burden to those low-income earners. This government is to be rightly condemned for that.

This party is going to move an amendment to take out the words "in a manner and subject to such limits as may be prescribed," and all the back-bench members opposite, particularly the ones from the north and the parliamentary assistant, will have an opportunity to determine exactly where they stand on these issues. If the assessment per capita is low and the municipality is entitled to that by any reasonable formula, the government is not going to cut it off at some artificial level. We already know there is going to be an amendment put by the other opposition party to put all municipalities on the same basis.

We are going to vote against this bill on second reading because it increases injustice in our society. After it is passed by the majority on the other side of the House, we will be moving these amendments to try to put a greater degree of fairness into the bill.

Mr. G. W. Taylor: I shall be very brief, Mr. Speaker. I would like to bring to this House, this Legislature, the parliamentary assistant, the ministry and particularly to those people who prepare these formulas, some of the feelings of the communities in my riding of Simcoe Centre, and in particular those of the elected representatives as expressed to the ministry and this Legislature, in regard to the arranged formulas that bring about the unconditional per capita grants.

It will come as no surprise to the members of this Legislature that I will support this legislation when it comes time to vote. Notwithstanding that, I bring to the members the concerns that those elected representatives in my community have.

Yes, we try to put many ingredients into the formulas to arrive at some equitable way of disbursing the funds that are available to the province. But they are not always disbursed in a way that satisfies those receiving them when they compare their communities with others. I recognize it is a most difficult task to put together a formula that arrives at a very equitable distribution.

However, when I look at the community of Barrie and I go down the list—I am using the 1979 figures for the municipality of Barrie and the unconditional per capita grants for municipalities of over 20,000 population—I find it is ranked fifty-seventh among the communities in that category. I know the system is supposed to be based on how economically substantial the community is, but we all travel about the province and we all have an understanding of the wealth of the different communities just by looking at them when we pass through. The formula either reinforces that or it does not, according to how one looks at it.

When I look at the different communities that are ranked here—the cities of Mississauga, Brampton, Markham, Oakville, North York, Toronto, Etobicoke, Newcastle—I recognize that all those communities have a substantial population to service, but I see they also receive substantial sums of money.

Similarly, when I look at the unconditional grant system I see that Barrie is ranked last—fifty-seventh—and Guelph, Waterloo, Burlington, Mississauga, Brampton, Oakville, Pickering, Peterborough, Whitby, Stoney Creek, Ottawa, Kitchener, Etobicoke and Newcastle all receive far in excess of the sums of the municipality of Barrie. Yet if one were to travel through those communities one would see they are far wealthier, they are far more substantial and they have greater tax bases from which to draw funds to support their various programs. Yet the formula is devised to share that wealth, and sometimes it does not work the way it is devised.

I bring that to the attention of the parliamentary assistant and of the minister. They should review these formulas, review in this Legislature the concerns that the people of these communities have brought forth so that there can be

some greater form of equity. Although the equalized assessment and the market value assessment try to bring about equity and fairness in the system, sometimes they achieve just the opposite. It is only natural that one community will look with envy at some of the dollars another community has. That we try to remove.

Sometimes I think a straightforward political dealing with some of these would be better than some of the formulas that are devised. One can say at times, “I could do better by arguing straight that we should have more money than some other community.” But we have devised a formula and hope it works out. I am not particularly satisfied with the formula, nor are the people who represent the communities of Barrie and some of the others in my riding.

On the other point of per capita grants for regional police forces versus those municipalities whose police forces are not regional police forces, I too confirm the argument of the city of Barrie and other municipalities, which desire the same number of dollars to run their police forces as the regional ones have. We have passed the time when we could argue that these were startup costs and that there were more expenses involved in regard to regional forces.

I bring to the attention of the parliamentary assistant that he should argue more strenuously. We had an extensive debate in this House on the difference between the money supplied to the regional forces and that supplied to nonregional forces, and we had a resolution that those sums should be brought into line.

I put those arguments as briefly as I can to the parliamentary assistant and the people to whom he will be taking that information. I fully recognize that it is a very complicated situation, but even with its complexity it is not without a solution more equitable than that available at present.

12 noon

Mr. Ruston: Mr. Speaker, I want to speak briefly on the Ontario Unconditional Grants Amendment Act now before the House. My main concern is the difference in police grants, something that has been mentioned for some time around here and has been brought to the attention of the Attorney General (Mr. McMurtry) on a number of occasions. All he says with regard to the police grants is that he does not have the money, that the Treasurer (Mr. F. S. Miller) allocates the money.

It is very unfair. In the area I come from we have a large number of American visitors coming in by the port of entry at Windsor. It is pretty

well the largest port of entry in Canada. We have many different areas where police have responsibilities much greater than those in many other cities and towns. We feel that is very unfair. It should be equalized to whatever the rate should be.

I heard someone say he did not want the region's money decreased, yet he wanted the other one increased. If there is going to be only so much money allocated for this, it should be done on an equal basis. If it is \$12 and \$17 now, perhaps it should be \$15 or \$16 for everybody. It should be done equally. If they do not have the money to make it \$17 for everyone, then I think it should be equal. It would be fairer. I know some have not mentioned this, but I think it should be equalized. The amount of money should then be spread over all the municipalities' police forces and it should be paid equally whether it is a region or a municipality on its own.

Another matter is the unconditional grant structure for exceptional or extenuating circumstances with regard to the cost to the municipality.

One of my own municipalities is at the mouth of the Thames River. The Thames River water comes up as far as Mitchell and Stratford. We had a bad flood caused by flood waters in the spring. The main reason for this was that the ice could not get away into the lake, and this caused the water to back up.

The township of Tilbury North spent about \$69,000 in extra expenditures because of this flood. The officials inform me they are not getting very far with assistance from the province in this matter. In that small municipality it would mean a mill rate increase of 14 mills this year to pick up that extra cost. We feel these things should be covered under all unconditional grants as exceptional expenditures for whatever reason.

I truly believe that if the conservation authorities, which are quite a large operation in Ontario, were carrying out the proper duties as they are supposed to be doing, they would be taking care of that kind of situation. I believe that is one of the areas conservation authorities were to cover when they were formed, but some have become more interested in buying property for parks instead of looking after flood control and conservation.

I think the bill is unfair with regard to police grants, and there has to be more leeway for municipalities that have exceptional expenditures in any particular year.

Mr. Foulds: Mr. Speaker, first I want to extend a couple of thank-yous to people in the Legislature this morning in spite of the somnolence that seems to have overtaken us after the hyperactivity of yesterday. Things are proceeding apace, and I know the parliamentary assistant is anxious to get this bill completed and disposed of before the House adjourns. We see no real problem with that.

I also wish to thank the parliamentary assistant for turning a blind eye to a certain procedure earlier in the day so that my colleague the member for Welland-Thorold (Mr. Swart) could speak on the bill. I certainly want to thank the member for Windsor-Sandwich (Mr. Wrye), who is now absent, unfortunately, for taking his turn to speak out of rotation so that I could meet some previous commitments and speak on the bill now.

There are a couple of basic points I want to make. First, I believe it is important in general terms that the municipalities be free from the apron-strings of Queen's Park as much as possible. That can only be done in terms of grants and money; that is, they need to have the basic financing to help free them from the servant-master relationship they now experience with Queen's Park.

I therefore oppose the extraordinary discretionary quality the minister has in this bill to determine what the grants should be. I believe the grants should be clearly spelled out in the legislation or, if not, at least in the regulation being presented at the same time as the legislation is brought forward. I think that is extremely important so the municipalities, and we in the Legislature, know precisely what the level will be.

If we are to get away from the idea that the municipalities are receiving handouts from the provincial government, which has been the bane of political life in Ontario for the last 40 years, I believe it is absolutely essential to ensure that they have a foundation of good financing. It is up to this government to come up with a basic municipal foundation plan for funding that is not so discretionary as it is at present, so that municipalities can have that.

It is not up to the Treasurer and the Minister of Revenue, or whoever, to go back, for example, on the Edmonton commitment, which would have been a good commitment and should have been fulfilled. It is because the provincial government found itself in a financial squeeze, as a result of its inability or unwilling-

ness to find other forms of taxation, that the municipalities now are feeling the squeeze. I just wanted to make that general point.

The specific point I wish to speak on this morning has to do with police grants and has to do with my home town, my favourite municipality, the city of Thunder Bay.

As most members will recall, the two former cities of Port Arthur and Fort William were forced into an amalgamation, an amalgamation that perhaps would have been more naturally united if it had not been unduly forced at the time it was. There was just a bit of bad timing.

The then Minister of Municipal Affairs, Darcy McKeough, was not known as the world's greatest diplomat. He may have been a great showman—in fact, there are even some of us on the opposition side who think he was not only a great showman but also a forceful personality and, from a rank Tory point of view, a pretty good Treasurer in comparison to some of the others we have seen. That is not high praise, but it is praise. Nevertheless, when it came to diplomacy, he was not the world's greatest.

The Minister of Intergovernmental Affairs (Mr. Wells) has a much finer hand for diplomacy than does the honourable, or whatever, Darcy McKeough, the former Treasurer.

Hon. Mr. Grossman: The honourable ex-Treasurer.

Mr. Foulds: Honourable ex-Treasurer. Not bad, I will accept that. As a matter of fact, it was getting a little too quiet in here. Let the Minister of Housing (Mr. Bennett), the Minister of Labour (Mr. Elgie) and the Minister of Industry and Tourism (Mr. Grossman) have their interjections. They do not get the opportunity very often.

Usually, to be fair, it is the opposition members who interject and cabinet ministers who have to suffer that. Let them have their opportunity to interject. I do not begrudge them that. The parliamentary assistant might, because it means a delay in the processing of his bill. But I do not object.

12:10 p.m.

I want to speak about police grants as they have affected the city of Thunder Bay since its amalgamation, because I think there is no doubt that the city of Thunder Bay has got the shaft, the short end of the stick, has been underfunded in terms of police grants on two counts.

First, there were no startup grants for the new municipality as there were for regional municipalities. When Thunder Bay was amalgamated,

it was amalgamated for the very same reasons that many areas in southern Ontario were formed into regional municipalities. I leave aside the argument of whether they were good reasons.

The city of Thunder Bay also undertook many of the responsibilities that were undertaken in southern Ontario by regional governments, particularly policing. The city of Thunder Bay in land terms is a very large municipality. For some 17 years that municipality has been underfunded for police grants—and I speak only on that subject of police grants, although it has also been underfunded in not getting some accommodation for assuming some of the responsibilities that were seen as responsibilities of regional government.

If I may, because I have had correspondence with goodness knows how many ministers over the last number of years on the subject, I want to refer to two or three of those exchanges.

What happened in the city of Thunder Bay was that a large rural area, that was not either in Port Arthur or Fort William but was in the municipalities of Shuniah and Neebing, was taken in, or annexed if you like, to the city of Thunder Bay. Today they are considered rural wards; they are the wards of McIntyre and Neebing.

The municipality has had much correspondence with the government on the matter, because they are now facing the very real necessity of obtaining a new police headquarters. Of course, there is no funding for that. Not only do they need some more capital expenditure for a new police headquarters, but also they have been underfunded in terms of service. One would think that as a quid pro quo they could get at least one in view of the loss of the other.

I quote from a letter signed by the Minister of Intergovernmental Affairs, dated March 25, 1980, to Mr. Morris, who was the clerk of the municipality of Thunder Bay:

"The initial grant in 1970 and the differential in the per capita unconditional police grant levels since 1972 have been based"—this talks about the regional grant—"on the provincial commitment to assist newly formed upper-tier regional forces deemed to be cities under the Police Act to finance very costly transitional situations."

I submit that Thunder Bay itself experienced those very costly transitional situations. I go on to quote:

"That other situations may have been similar in some respects to those faced by the regional

forces does not alter the past statutory commitment of the province or the greater scale of the problems faced by the upper-tier regional forces coming into being than those faced even in the amalgamations such as that of Thunder Bay."

Maybe even granting the minister's argument there that the problems were not entirely the same, there is a reasonable argument for additional funding, and implied in the minister's statement is that there are problems faced by amalgamations like the city of Thunder Bay that deserve consideration. What he is arguing is that he cannot do it because of statutory limitations.

As we consider this bill, we have the opportunity to change those statutory obligations of the minister to take into account the special needs of a community such as Thunder Bay. It is not being done. I strongly urge the parliamentary assistant to accept or introduce amendments during the committee stage to remedy that situation.

In 1980, the Minister of Intergovernmental Affairs said: "I cannot therefore accept Thunder Bay's claim for funds to compensate for past deficiencies in payments made in the police component of the unconditional grant."

That implies there have been past deficiencies. He does not say "alleged past deficiencies" or "claimed past deficiencies." He says "past deficiencies in payments." He admits, as is clear in the case of Windsor, that there have been deficiencies in payments. I wish to goodness at some point—and now is the opportunity, with this legislation before us—the government would take action to remedy those past deficiencies.

In support of my argument I go on to quote from the minister's letter. He is passing briefly through the House; so his parliamentary assistant can continue with piloting this bill.

He wrote: "I do not wish to deny that there is evidence that the gap in police costs between regional municipalities maintaining upper-tier forces and other kinds of municipalities has been narrowing recently."

What he is saying is that obviously the lower-tier municipalities, the municipalities my colleagues and the members of the Liberal Party have been arguing about, deserve the same kind of grant as the upper-tier municipalities.

He wrote: "The province is aware of this growing concern among many municipalities and is reviewing the present differential in the police component of the unconditional grant. The necessary province-wide analysis is com-

plex because of problems of cost comparison and will simply not be available in time for any changes in present funding arrangements until at least the end of 1980."

Well, 1980 has come and gone.

He continued: "You may be assured, however, that the needs of the city of Thunder Bay, in comparison to other municipalities, will certainly be taken into consideration in the current review of the police grant." As I understand this legislation, there has been no change in the police grant.

Mr. Rotenberg: Two dollars more.

Mr. Foulds: Two dollars; thanks a lot. What happened? Everybody gets it; so the past imbalance continues. I want to quote from a document that has been submitted to the ministry by the city of Thunder Bay. I think it was originally drawn up by the police commission and the police chief, T. R. Keep.

It is headed "Intensified Policing—McIntyre and Neebing." It reads: "Prior to 1970, those municipalities were policed by the OPP. When they came into the municipality, that responsibility was undertaken by the city of Thunder Bay. Therefore, the citizens and the municipality of Thunder Bay relieved the province of the cost of that policing."

"The two rural areas of McIntyre and Neebing were policed previously by the Ontario Provincial Police on a demand-call basis without a systematic plan for around-the-clock patrol coverage. Following amalgamation, however, the mode of policing moved from one of policing according to demand (or crisis, if you like) to one of planned and systematic around-the-clock patrol coverage."

In short, the Thunder Bay police department accepted the responsibility of providing a mode of policing previously unknown to the residents of McIntyre and Neebing.

"The ramifications of this particular change ultimately included an increase in overall operating costs." They include a table, which I will refer to in a second.

What happened was that not only did the municipality relieve the province of the cost of policing but it also increased the service to the residents, which is surely one of the objects of the amalgamation and of regional government in the case of southern Ontario. People got increased service. Good for the city of Thunder Bay for providing it. It was safer for the residents of that urban area; even though it is a rural ward they get around-the-clock patrol service instead of on-demand calls.

12:20 p.m.

I will show the members what that meant in concrete terms for policing in Neebing and McIntyre. Before 1970, McIntyre had one man per shift on a demand-call basis, and that could be considered at the very outside as only three men. But the three men were not always in the ward. It was on a demand basis; they were not patrolling regularly.

In Neebing, it was one man per shift, and that equalled anywhere between one and four men, according to the figures I have. But once again there was no systematic patrol coverage, it was on a demand-call basis only.

From 1970, these wards have had a rough systematic around-the-clock coverage. In the McIntyre ward that means one man per shift; two extra men are required to fill in the lost time resulting from sick leave, compensation and vacation periods. This means a total of five men. In Neebing ward, similarly, a total of five men are required. So there has been an increase in the total man-hours required and a need to increase the staff.

I now want to read into the record the difference between the city rate and the regional rate that has been received by the city of Thunder Bay from 1972 to 1979 and to indicate the differential that has accumulated in those years. I do not have the 1980 figures, but I am sure the parliamentary assistant has them at his fingertips.

In 1972, with a population of 106,512, the city rate amounted to \$186,400. The city rate was \$1.75 at that time, the regional rate was \$3.25 and the difference was \$159,800. In 1973, when the city rate went up to \$3 and the regional rate went up to \$5, the difference was \$213,100. In 1974, when the city rate was \$5 and the regional rate \$7, the difference was \$215,500. In 1975, when the city rate was \$8 and the regional rate was \$12, the difference was \$429,400. In 1976, the city rate was \$8, the regional rate was \$12, and the difference was \$434,100. In 1977, the city rate was \$10, the regional rate was \$15, and the difference was \$545,800. In 1978, the city rate was \$10, the regional rate was \$15, and the difference was \$549,800. In 1979, the city rate was \$10, the regional rate was \$15 and the difference was \$549,800.

The total difference over those years was \$3,097,300. To have lost even half of that—if one wanted to get a figure between the city and regional rates for the municipality of Thunder Bay—is to have suffered a considerable loss. I believe that this difference can no longer be tolerated; there is no excuse for it. Besides the

per capita funding for the operational police grants so that cities like Thunder Bay receive their due, additional capital moneys are owing to the city of Thunder Bay so they can come forward now and build their new police headquarters.

I urge this very strongly on the parliamentary assistant and on my colleague the member for Hamilton Mountain (Mr. Charlton), who I know wishes to speak on this bill. I hope he will be in his place in a few minutes before I sit down so that he can speak on the bill briefly and the parliamentary assistant can complete it—unless there is another speaker from the Liberal caucus who wishes to speak on the matter at this time—so that we can proceed in an orderly manner.

I urge the parliamentary assistant not only to treat cities like Thunder Bay fairly in the operational grants that we are discussing today but also to persuade his minister, his patron, his boss, the Minister of Intergovernmental Affairs, that Thunder Bay should get additional provincial moneys to the tune of \$2 million to \$3 million owing them for the capital expenditure necessary for the new police headquarters.

Where has my colleague disappeared to?

Mr. Grande: I am here.

Mr. Foulds: The member for Oakwood goes next; we do have a speaker. I thank you for your attention, Mr. Speaker, and for the attention of the parliamentary assistant.

Mr. Grande: Mr. Speaker, my comments are going to be very short. However, I want to put on the record yet again what I call the mistreatment, in terms of unconditional grants, of that area of Metropolitan Toronto where the parliamentary assistant happens to reside.

The parliamentary assistant knows full well, since supposedly he pays taxes in the borough of York—I also pay taxes there—that borough has the highest property taxes and mill rate in Metro. The Conservative candidate in the recent election campaign started out by saying there was no problem there but ended by saying, “Yes, there is a problem and we are trying to do something about it.”

It probably comes as no surprise to the parliamentary assistant that I will be opposing this legislation. I am not going to do what the member for Simcoe Centre (Mr. G. W. Taylor) did. If I understood his remarks correctly, they were aimed at opposing this bill; yet at the very beginning he said he would be supporting it. I

have never understood that kind of distorted logic on that side of the House. However, freedom of speech prevails in this Legislature.

The parliamentary assistant, the member for Wilson Heights, obviously represents a different area than the one in which he lives. The borough of York happens to have the highest property tax and mill rate in Metro; he knows that. That municipality happens to be the poorest in Metropolitan Toronto in terms of assessment; he knows that too. It has the lowest family income and the lowest income per capita in Metro; he should know that. The municipality has the highest unemployment problem; he should know that. It also has the highest percentage of senior citizens in Toronto; I hope he knows that.

On many occasions in this Legislature or in committee I have brought forward the needs of the borough to the Minister of Intergovernmental Affairs. I say we must revamp the unconditional grant system for the municipalities that have a low assessment base. As a matter of fact, it has to be scrapped and a new system begun. I say that because we have a system that works now. The parliamentary assistant should know that the educational system works.

12:30 p.m.

We have a grant system in education in this province that begins from an equalized mill rate and gives provincial grants to municipalities according to the needs of those municipalities. It begins from a 60 per cent provincial grant. Over the years, this government has said that the split in education should be 60-40. Municipalities that have a very rich assessment will get 20 per cent in provincial grants, while municipalities that have a low assessment base will get up to 90 or 95 per cent in provincial grants.

If it works for educational purposes, I do not understand why it cannot work for municipal purposes as well. It would be a much fairer system. I think the member for Simcoe Centre was addressing himself to that particular concern.

Whether this bill increased the grant by \$2, 50 cents or five cents, the fact remains that the principle is not correct. The amount of money can be increased equally across this province. However, the fact remains that the inequalities that have existed for many years as a result of this system—and the representatives from Windsor and I, on behalf of the borough of York, have talked about this ad nauseam in this Legislature—are not addressed through this particular system.

That is why I say to the parliamentary assistant and the Minister of Intergovernmental Affairs that a new system has to be devised. We have a new system. We know how the financing of provincial grants to education works. It works well, and there is no reason why it cannot be done for municipal funding as well. I say to the parliamentary assistant, "Take this bill back and bring in a bill that really makes sense in terms of granting the moneys the municipalities across this province require to be able to produce the services the people of Ontario need."

Mr. Boudria: Mr. Speaker, this afternoon I will speak briefly on the bill on the aspect of police grants, which are of great concern to people in my area.

Part of my constituency is in the regional municipality of Ottawa-Carleton. In that area, we do not happen to have a regional police force. We still have police forces such as the Nepean Police Force, the city of Ottawa Police Force, the city of Vanier Police Force and the city of Gloucester Police Force—the city of Gloucester being represented in this Legislature by the member for Carleton East (Mr. MacQuarrie). Most other areas in the same regional municipality are represented by members of the government party, with the exception of Ottawa Centre, which is represented by the leader of the New Democratic Party (Mr. Cassidy).

One interesting thing is that the proposed minister of municipal affairs and housing (Mr. Bennett) is also a member from the city of Ottawa. Having himself been a member of the municipal council of Ottawa, he should know there will never be a regional police force in the city of Ottawa or in the regional municipality of Ottawa-Carleton. The minister should also know that these grants will deprive forever the city of Ottawa and the regional municipality of Ottawa-Carleton of \$5 per capita, just as they have in past years. This is obviously a case where the government is still trying to regionalize more areas. The government has tried many times to make the system of regional municipalities more popular than it is now. It is not working. Regional governments are not popular; they never will be.

The attitude of the government is that to make regional government more palatable, incentives should be offered. It tries to buy its way into making more facilities regional rather than municipal. In this case, it offers regional police forces \$5 more per capita. That may motivate some municipalities to get regional police forces.

On the other hand, there is what statistics have shown us in the past. The Mayo commission on Ottawa-Carleton regional government, for instance, told us that regional police forces are not necessarily more economical than municipal ones, even with the increased grant. The report brought out the case of Hamilton-Wentworth which had a higher cost of policing per capita than any other city in Ontario. Hamilton-Wentworth is a regional municipality receiving these higher grants.

Needless to say, this attempt by the government to try to regionalize police forces and other things is not working and never will. Some regional municipalities may lend themselves well to having a regional police force. Others, because of their fabric, their geography and so on, may not lend themselves all that well to having a regional police force.

We have another aspect of this amendment to the grants for police which has not been addressed much; that is, those areas which do not have regional government. Those areas that do not have regional municipalities do not want them either; any area that does not have a regional municipality does not particularly want one at this time.

Nevertheless, those areas now are receiving \$5 less per capita. They will continue getting \$5 less per capita for their police forces and there is nothing they can do about it. Because they do not have a regional municipality, they cannot institute a regional police force. The basic requirement is not there. They still have to pay for their police protection. All they can do is pay for the increased cost and hope that some day this government will become more sensitive to their needs and increase the grants to give them an amount similar to that given regional municipalities.

For instance, Hawkesbury, a town of roughly 10,000 people in my constituency, has its own municipal police force. It is very expensive. If they were afforded this extra \$5 per capita it would make an extra \$50,000 for the people to institute programs which would be valuable to that city. Conversely, the municipal council, in its wisdom, could lower the rate of taxation to compensate for that difference.

In the rural areas of my constituency and in the area of the township of Cumberland we are protected—and I use that word very loosely—by the Ontario Provincial Police. That force is critically deficient in our area. There are not enough police officers to go around.

In 1973 there were 26 officers at the Rockland

Ontario Provincial Police detachment and in 1981 there are only 20. Of course, the population in those years has increased by approximately 50 per cent. The number of police officers is decreasing at the same time as the population is increasing.

That does not sound reasonable, especially when one considers the escalating crime rate over the past few years. My own house, for instance, was broken into a few years ago. I was told that on that particular shift there was only one police officer to patrol the township of Cumberland, the township of Clarence and the town of Rockland. That is a very vast area and only one police officer patrols on the graveyard shift.

12:40 p.m.

I am told that at other times of the night there are two police officers and more in the daytime, but nevertheless there is not much one police officer can do on his own. One police officer cannot go in and break up a big fight in a hotel. He cannot go in and investigate a robbery that has occurred, or the break and enter that occurred at my house. While that officer is at my house or anybody else's house investigating that one incident there is not one officer patrolling in the rest of the township of Cumberland, the township of Clarence and the town of Rockland.

Conversely, if there is an accident on the highway, that leaves all the municipalities with no protection for the time it takes that police officer to take care of that particular accident.

If the grants were increased from \$12 to \$17 it may very well be that the government would come out ahead. In my area, for instance, in the township of Cumberland, and in other areas, that may be the difference in funds required in order to make a municipal police force something viable for the municipality. If a municipality was offered \$17 to institute its own municipal police force, there may very well be more motivation than doing it now at \$10, and very shortly at \$12 per capita. That would free up more Ontario Provincial Police officers who then could be redistributed to other areas where they are in critical need right now.

To sum up, I think the government should consider very seriously making the grants equal in areas where there are no regional municipalities to the areas where there are. Some rural municipalities would then probably avail themselves of their own municipal police forces. The Ontario Provincial Police would be free to do other work, and municipalities that have not

chosen to regionalize in past years would not be punished the way that they have been by this government over the last few years.

Having said that, I again would like to impress upon the future Minister of Municipal Affairs and Housing, who is not in the House at this particular time, but as he is a member from an area that has a regional municipality without a regional police force he surely can understand why this legislation is unfair to those areas. Having been in municipal office for a number of years prior to being in this Legislature, he surely can understand that this is not acceptable and it should be changed to \$17 for all municipalities in Ontario that have their own police force, be they regional, municipal, village or whatever.

Mr. Charlton: Mr. Speaker, I will start out by saying that after very careful consideration we have finally come up with a handle for the Deputy Speaker. In future we shall refer to him as "Deputy Little Buddy."

In speaking to this bill dealing with unconditional grants, I will not repeat everything that has been said since there is not very much time left today, but I think the point should be very clear now to the government, to the Minister of Intergovernmental Affairs, to the future minister of municipal affairs and housing, and to the parliamentary assistant who is seeing this bill through the House.

The complaint from this side of the House for quite a number of years now has been about the need for total and complete reform of the grant structure in this province. I think it should be becoming more clear to the government now, in terms of the necessity of grant reform, and clear grant reform in terms of legislated or regulated formulas so that municipalities will be better able to understand their financial position. It should be clearer simply because they are starting to hear complaints from their own benches now. I think this was reflected in the remarks which the member for Simcoe Centre made this morning. Even though government members are not yet prepared to vote against the government on this issue they are now starting to raise the complaints.

It is time the government sat down and took a very serious look at the whole grant structure. It should also be growing clearer to the government and the parliamentary assistants that one of the key areas of current concern is the whole area of police grants.

I understand, although I was not here last evening, that my Liberal colleagues have given notice that they intend to move an amendment.

It is an amendment we will support, and I urge government members to support that amendment as well.

I want to run through some of the things that deal with police grants. A number of members have made specific reference to their own municipalities and to the problems they face with respect to police grants. I want to take a few minutes to try to give it a little bit broader perspective on the province as a whole rather than just on specific municipalities.

The differential in police grants started about a decade ago. The problem is the way in which this government has dealt with those police grants, the differential between regional municipalities and nonregional municipalities. Their approach to that differential has caused a widening of the gap between the moneys that nonregional municipalities get over and against those that regional municipalities get.

In 1972, for example, area municipality police forces got a grant of \$1.75 per capita and regional police forces got \$3.25 per capita, so there was a differential of only \$1.50 per capita. We progressed through the years, at least until 1977, up to the point where the differential was \$5. I assume from what the parliamentary assistant is saying today the \$5 gap will remain.

The gap has widened, and that widened gap does not reflect the changes that have occurred in the cost of providing police services for the municipalities, whether regional or nonregional.

I have some figures here that deal with 11 cities and eight regions in the province. The figures in this document deal with 1977-78, and I had our researchers take a little time to update those figures to 1980. One finds that even though the cities in question here get \$5 less per capita than the regions, the costs do not suggest that there is any fairness or equity in that differential.

The per capita costs of providing police service in the city of Brantford in 1980 were almost \$66; in Guelph, \$57 and change; in London, \$50.64; in Nepean, \$49; in Ottawa city, \$64; in Sarnia, \$65; in Sault Ste. Marie, \$58; Thunder Bay, that my colleague spoke about, \$59; Windsor, \$62—and we have heard Windsor members repeatedly raising this whole question.

12:50 p.m.

Let us look at some of the regional areas and their costs for providing police service, where they get the extra \$5 per capita: Durham region per capita police costs are \$52; Hamilton-Wentworth, \$62; Niagara region, \$57; Peel

region, \$58; Sudbury region, \$52; Waterloo region, \$55; York region, \$49. So it is very clear that the costs to regional municipalities of providing police service are no greater than the costs to the major cities in this province that are not part of regions.

The province set up the differential originally in order to encourage municipalities to move to regional police forces. It would appear that the incentive it provided has served its usefulness. It is no longer attracting any further movement to regional police forces and it can no longer be justified in terms of that kind of an incentive, simply because the process is about over now and the costs to the municipalities, as is clearly shown, are comparable right across the board.

In wrapping up, I would say it should be very clear to the government now that it is time to make the changes to eliminate the differential in police grants and to get on with the job of total reform of the grant structure in this province. As I suggested earlier, that is becoming very clear when we start hearing members on that side of the House raising the same concerns as we raised repeatedly over the last decade.

Mr. Rotenberg: Mr. Speaker, in the few minutes we have until one o'clock, I will try to answer some of the questions raised by the opposition. This matter, I imagine, is going to committee of the whole at the request of the opposition. So we will try and view other matters when it gets to that stage.

This bill, as I said last night, is to implement the 1981 municipal grants as discussed over many meetings with the municipalities and the municipal organizations. These announcements were made to them in January. Despite the fact that some people here may not understand that, they understand it very well. To say they are happy, of course, is wrong. Nobody is happy. Everybody wants more money, but they do understand where they are at. These are the 1981 grants and there is no question that these grants will be reviewed for 1982 over the course of this year in consultation with the municipalities.

Mr. Foulds: That is what the Minister of Intergovernmental Affairs said in 1980.

Mr. Rotenberg: Review does not necessarily mean that everything goes up. Of course, I would love to come in here and give not \$17, but \$25 or \$30 per capita to every municipality. I would love to give higher unconditional grants. I would love to give more money to the muni-

palities. I wish we were in the position of Alberta with its fund. That province can totally subsidize municipalities.

Mr. Foulds: If the government managed our resources properly it could have done that.

Mr. Rotenberg: I did not interrupt the member for Port Arthur. Of course, we would like to do it, but there is not a bottomless pit. I find it very interesting that the members opposite are urging the government to spend more money. Yet for the past three weeks we have been here trying to put through some bills to raise some money in order to spend more money and they opposed them. They cannot have it both ways. If they want to spend more money, they have to raise more money.

We want tax reform and I agree with the last speaker that property tax reform is on its way. This is part of it, as section 86 is part of it. But property tax reform does not necessarily mean that everybody is going to get more money. If there is reform and we equalize the situation, get rid of some of the inequities, some are going to get more and some are going to get less. One of the principles of this bill is that people who by reform and more equity should get less, will not get less.

The main problem today in this bill has been the police grant. A lot has been said about it, but I would submit that the differential is still somewhat valid because regional forces have a greater area to service. Rural areas, unlike urban areas, cost more money. Many of the areas of the province which do not have regional police forces get benefit from either free policing by the OPP or get police contracts which are much lower than cost.

If one adds this provincial funding to the cost of police, because that is also provincial funding going to municipal police services, one gets a slightly different point of view. For example, if one looks at Ottawa-Carleton as a region, yes, those municipalities which have their own police forces get \$12 per capita under this new bill but many areas get a much higher subsidy because the OPP subsidizes them.

By a funny coincidence—we worked out the numbers—the total amount of money going to Ottawa-Carleton specifically for police comes out to \$17 per capita for the total Ottawa-Carleton region. If one looks at all of Essex county as an example, including Windsor, those who get \$12 and those who get much more, the average going to Essex county is \$16 per capita. The member for Algoma (Mr. Wildman) spoke last night. If one looks at the rate per capita for

all police money going to the region of Algoma, including the cities there, it comes out to \$18 per capita. The inequities are not nearly as much as one would think.

But the more important point is that police grants are not just necessarily for police. They are part of the unconditional grant system. To look at equity and fairness, regions versus municipalities, one has to look at the whole unconditional grant system and how these go to the total cost.

Mr. Epp: They are called police grants.

Mr. Rotenberg: They are called police grants, of course they are, but they are not necessarily for police. They are an indication that we do support police, but other funds go for police costs as well.

Mr. Epp: You do not even know what you are talking about.

Mr. Rotenberg: When one looks at all of the costs, all of the unconditional grants—because this bill is for all unconditional grants; one cannot look at the police part by itself but at all unconditional grants—the level for funding of the municipalities other than the regions comes out a little higher.

In northern Ontario we have had some complaints, but northern Ontario, in the unconditional grant, is getting some 35 per cent of the cost of the services which unconditional grants go for. In southern Ontario other than regions it is about 20 per cent and the average as a whole is only 18. The regions in total grants get somewhat less than some of the other municipalities do.

Mr. Swart: Do they all agree with you now?

Mr. Rotenberg: Of course they do not; everybody wants more money.

The other thing is there is a suggestion here about simplifying property tax reform, simplifying the bill, making it not so complicated. Some members here might not understand it but all those municipal politicians come to see me and they do come to see the ministry, and I would say to the member for Windsor-Sandwich (Mr. Wrye) we would more than welcome a delegation from Mayor Weeks and the Windsor people. They understand it. They understand what they are getting. They want more but they understand it and it is not that complicated.

If we want to make a very simple system, just put everybody on market value assessment with no factors or anything else and one would hear the screams from one end of the province to the other. It is just impossible with equity to bring in a very simple property tax system because we try to protect those people who are going to have violent shifts. That is the way it should be and I am sure every member of the House would agree that is the way it should be.

A lot of other things have been raised in the House on this bill but a lot of members have taken a lot of time and I would like to have second reading of this bill now. Mr. Speaker, I would ask you to put the bill for second reading. When we get to committee of the whole House I will try to answer the rest of the questions.

The Deputy Speaker: The motion is for second reading of Bill 69.

Those in favour please say "aye."

Those against say "nay."

In my opinion the ayes have it.

Motion agreed to.

Ordered for committee of the whole House.

The House adjourned at 12:59 p.m.

APPENDIX

ANSWERS TO QUESTIONS
ON NOTICE PAPER

MUNICIPAL GRANTS

96. Mr. Grande: Will the minister responsible produce the following information regarding the municipality of the borough of York: any and all grants the borough received directly in the years 1978-79-80-81, and the specific purpose for which the funds were generated? (May 20, 1981.)

Hon. Mr. Wells: In addition to the analysis of provincial grant payments for the period 1978 to 1981 provided in my response of May 28, 1981, it has come to my attention that further conditional assistance payments were provided by the Ministry of Community and Social Services to offset the operating costs of a child guidance clinic administered by the board of health of the borough. This clinic provides outpatient mental health services to troubled children and adolescents.

The additional provincial grant payments that should have been included are as follows:

1978 actual	\$212,790
1979 actual	\$230,525
1980 actual	\$239,877
1981 estimates	\$262,764

This oversight occurred due to these grant payments being inadvertently reported in the borough's annual financial returns as conditional federal grants.

ASTRA/RE-MOR

98. Mr. Bradley: Could the Minister of Consumer and Commercial Relations indicate, on the basis of item four of the interim report of the standing committee on administration of justice, that is, "The committee is also of the opinion, based particularly on the evidence of John Clement, former Minister of Consumer and Commercial Relations and former Attorney General of Ontario, that political influence was exerted on provincial officials to obtain a provincial registration for Astra Trust," what action has been taken or is being contemplated to avoid such an unfortunate occurrence in the future? (May 26, 1981.)

Hon. Mr. Walker: Having reviewed item four of the interim report of the standing committee on administration of justice with the provincial officials involved in the issuing of a provincial registration for Astra Trust, I am

satisfied that the committee reached the wrong opinion on this item and that in fact political influence was not exerted on provincial officials to obtain a provincial registration for Astra Trust.

It has long been settled law in Canada that a province cannot impair the status and essential powers of a federally incorporated company. There are more than 200 federal financial institutions that are registered or licensed annually by Ontario in observance of this principle.

It may be noted that in an area of exclusive provincial jurisdiction, Astra Trust Company was denied approval of being accepted as a trust company for the purposes of the Supreme Court of Ontario to act as an executor, administrator or trustee.

LOCAL SERVICES BOARDS

100. Mr. Wildman: Would the Ministry of Northern Affairs table the total number of applications for the formation of local services boards from unorganized communities in northern Ontario that it has received to date? Also, would the ministry explain the status of the application for the formation of an LSB from the unorganized community of Searchmont and when it expects to announce a final decision on that application? (May 29, 1981.)

Hon. Mr. Bernier: Twenty-six applications from unorganized communities have been considered to date for the formation of LSBs. Ten have been established; 16 are being processed.

The application from Searchmont for the formation of an LSB is still under review with other ministries and we are not able to provide a final date at this time. Some delays in the review process have resulted from concerns related to the community's current financial liabilities.

FIRE TRUCK APPLICATIONS

101. Mr. Wildman: Would the Ministry of Northern Affairs table the specific number of applications for fire protection equipment—i.e., fire trucks—from unorganized communities in northern Ontario under the isolated communities assistance fund that the ministry received and considered for the fiscal year 1981-82? Would the ministry also list the communities whose applications were turned down and/or postponed for consideration at a later date? How many of these communities have also applied to form or already have formed

local services boards? Do those communities whose applications have not received approval for 1981-82 have to begin the application process all over again next year? Would the ministry also table the total expenditure for fire trucks anticipated for 1981-82? Does this constitute an increase or decrease over last year's ICAF budget? Finally, could the ministry explain the status of the application for a fire truck from the unorganized township of Aweres. (May 20, 1981.)

Hon. Mr. Bernier: Twelve applications from unorganized communities for fire trucks have been received for funding in fiscal year 1981-82. No application has been rejected as of this date.

In the northwest, the candidate communities are MacLeod Unorganized, Dryden Unorganized, Armstrong, N. Watten and Upsala.

In the northeast, the candidate communities are Lavigne, Britt, Savard, Foleyet, Aweres and Goulais River.

Only one of these communities has already formed an LSB—Armstrong—and another community—Britt—has given notice of the intention to establish an LSB.

Applications for fire protection equipment

not approved in one fiscal year are carried forward for further consideration in the next. They remain on the "candidate" list until such time as the request is approved or rejected.

The budget for the purchase of fire trucks in 1981-82 is \$100,000. This represents a decrease over last year.

Recently two prototype Rapid Attack Fire Trucks featuring mid-mounted pumps were delivered to Ferguson township and Redditt. This new design is untested but is expected to provide substantial improvement over the type of truck currently in use. Two more of the new type have been ordered for testing in the current year. Further orders will be delayed pending the results of these tests over a winter season.

The application from Aweres township for a fire truck is still under review with the Ontario fire marshal. We are attempting to determine the degree of involvement and support community-wide within the township as a whole for fire protection and the likelihood that the township will be able to meet its obligations under this program. Evidence of strong community-wide interest is not clear to us at this time.

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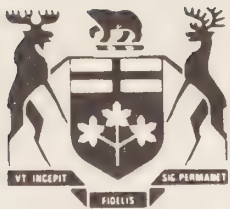
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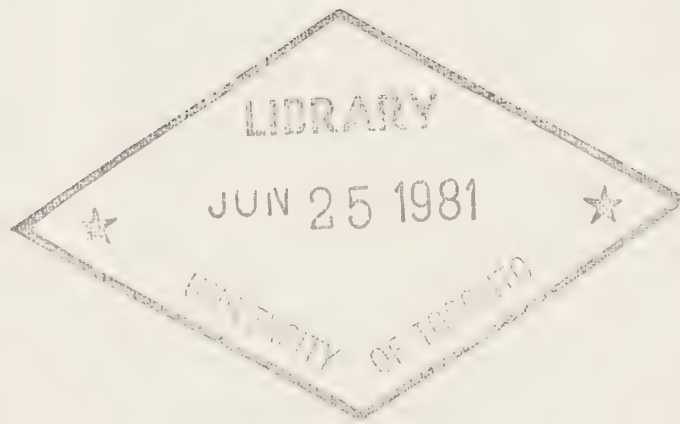
Ontario,

LEGISLATIVE ASSEMBLY

No. 46

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, June 15, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 15, 1981

The House met at 2:02 p.m.

Prayers.

REMARKS BY SPEAKER

Mr. Cassidy: Mr. Speaker, I have two points of order I wish to raise with you in the hope that some of the difficulties of last week in this House may be overcome.

The first point is a matter that I raised briefly with you in this House on Friday. The Toronto Star's account of Thursday's events quoted the Speaker as saying: "Calling the vote was a deliberate mistake." That was the vote on whether the decision to name the Leader of the Opposition (Mr. Smith) and evict him from the House would be upheld.

Mr. Speaker, because of the fact that if that quotation is correct it would indicate you had deliberately flouted or decided to deliberately break the rules of the House, this House is entitled to know to what extent you intend to enforce the rules of the House.

Mr. Speaker: Order, please. That point of order was raised previously, and I did say I would take it under consideration.

Mr. Cassidy: Mr. Speaker, in view of the importance of the matter—

Mr. Speaker: Will the member carry on with his second point of order?

Mr. Cassidy: Yes, Mr. Speaker, I will. But I ask, will you not be prepared to give us your judgement on that specific question, because it does relate to the confidence the whole House can have in the chair if there has been a decision of the chair not to uphold the rules of the House?

Mr. Speaker: I think I dealt with that very clearly on Friday last. May we listen to your second point of order?

PARLIAMENTARY LANGUAGE

Mr. Cassidy: My second point of order relates to the question of parliamentary language, which was an issue in front of the House and led to a loss of several hours of sitting time on Thursday, when the allegation was made that a minister of the crown was a minister of cover-up.

I have taken the liberty of consulting Erskine May to find out which expressions are parliamentary and which are not. I have yet to be able to establish whether the word "cover-up" is unparliamentary language, although members of my party—and, I suspect, of all three parties—have used it in this Legislature on a number of occasions without being called to order by the Speaker and without having that expression questioned by other members of the Legislature.

I suggest that the word "cover-up" is hardly in the same class as the unparliamentary expressions that are listed by Erskine May. The Leader of the Opposition could have called the Minister of Consumer and Commercial Relations (Mr. Walker) a ruffian, a slanderer, a stool-pigeon, a swine, a traitor, treasonist, vicious or vulgar. He could have said he was a villain, wicked, a hypocrite, impertinent or impudent. He could have said he was behaving like a jackass, that he was lousy, that he was making a malignant attack or that he was a murderer.

I will not go through the whole list. I was going backwards and was only at the Js.

What I want to suggest is that, in view of the sequence of events we have seen since this House came together in April up until last Thursday or Friday, one that has seen a number of episodes in which government members have consistently prevented the opposition parties from gaining a continuation of the investigation of the Re-Mor affair, I believe the allegations were justified. I also believe the word itself is not unparliamentary. I want to suggest to you, Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Cassidy: Mr. Speaker, I have not finished my point. May I may finish it?

Mr. Speaker: No. With all respect, I think that matter was dealt with clearly on Thursday last and now is closed.

Mr. Cassidy: With respect, Mr. Speaker, since there is certainly the possibility, according to accounts in the press, that this matter is going to be raised again and since as a consequence of that we take the risk—

Mr. Speaker: Order. I do not think we can

anticipate what may or may not happen. The incident of last Thursday was dealt with and is closed.

Mr. Cassidy: Mr. Speaker, on a point of order—

Mr. Speaker: There is no point of order, with all respect.

Mr. Cassidy: Mr. Speaker, as a member of this House, I feel I have the right to conclude my point and to make the recommendation I intended to make to you now.

Mr. Speaker: No. The matter is closed. It has been dealt with. It is not debatable, and that is the end of it.

Mr. Cassidy: Mr. Speaker, my proposal quite simply is that you refer the question of whether the word “cover-up” is parliamentary language to the standing committee on procedural affairs, to take the matter out of this Legislature so the Legislature can get on with the business we have to conclude.

Mr. Speaker: Order. Your doubt certainly will be taken into consideration as you have pointed out but, as I said before, the matter quite clearly has been dealt with. It is closed, it is not debatable and we will proceed with the business of the House.

TRIBUTE TO JOHN H. STAFFORD

Hon. Mr. Drea: Mr. Speaker, I rise on behalf of a vast number of Ontarians to pay appreciation to John H. Stafford, an outstanding Canadian who died yesterday.

Jack Stafford was more than a distinguished Canadian as an entrepreneur in the field of business and commerce. He had a long life as not only one of the country's better-known horse breeders and owners but also as one its most important horse breeders and owners.

Mr. Stafford was a very distinctive Ontarian for whom nothing came easy. He worked as a salesman for years, right into the peak of the great Depression, before being able at that time to start his own business, one that flourished and, even without his presence for the last decade, is one of the significant industries in the food processing field.

In the particular field in which he choose to excel during his later years, years during which many would have considered retirement of sufficient interest, everything in the horse industry came from hard work. It took him 21 years of hard work to enter the decade of the 1970s, when the Stafford farm stable was so outstanding, not just in Ontario or Canada but also in the United States.

I suppose he will be best remembered by countless Canadians as the breeder and owner of a very distinctive Ontario horse, Overskate, because, like his owner, that horse excelled not from outstanding talent but by virtue of very hard work and the possession of an extremely great amount of personal courage and endurance.

I am sure that the members of the assembly will join with me in extending our condolences to the family of Mr. Stafford as well as our appreciation for the lifetime of a most distinctive Ontarian.

2:10 p.m.

VAUGHAN LAND USE

Mr. Smith: On a point of privilege, Mr. Speaker: I am not sure if this is a point of privilege or a correction of the record, but you will recall that the member for York North (Mr. Hodgson) stood in the House on June 11 and made certain statements about the town of Vaughan official plan amendment number 95. There is just one matter I want to deal with as a point of privilege. There are others that may come up as questions.

The member said that the holdings range in size from nine to 100 acres, and he said, “There is certainly no massive land assembly and no big-name developer.” Had the member looked a little deeper he would have found that four of the owners are associated and have the same corporate address of 4101 Steeles Avenue West, suite 202, in Toronto. Some 587 acres are owned by the Kirby West group of developers, a group very well known to the member for York North. That represents 48 per cent of the land area of official plan amendment number 95.

STATEMENT BY THE MINISTRY

TORONTO EAST GENERAL HOSPITAL

Hon. Mr. Timbrell: Mr. Speaker, I wish to table the report of the Toronto East General and Orthopaedic Hospital review committee. At the appropriate time later today I will introduce legislation to give effect to the committee's recommendation.

I would be less than frank if I did not tell the House how disturbed I am at the extent of the problems that the committee found. One reassuring factor is that the committee has been able to recommend action that can be taken to deal with these shortcomings.

I met earlier today with the chairman and other representatives of East General, and I

have asked them to respond to the report and produce a plan to deal with the issues in the report that affect them.

I have also told them that I am introducing legislation today to allow the government to appoint a supervisor to oversee the administration of hospitals in circumstances such as these. I intend to appoint a supervisor as soon as this House has dealt with the bill so that we can ensure that the recommendations are fully implemented.

In reading the report, members will recognize that this very thorough review, which includes a number of detailed audits by an outside firm, has not turned up any evidence of criminal action by any member of the board or the staff. Rather, the committee found that in many cases the staff and trustees were motivated by a sense of service to the hospital and to the community. Unfortunately, they appear to have lacked an understanding of the rules of contemporary public service as well as the sophisticated organization, skills and controls required to operate a major urban hospital like Toronto East General.

On a personal note, this whole issue has a specific meaning to me. The Toronto East General serves a significant section of my riding, and many of my constituents have a long and affectionate connection with what they consider to be their hospital. Many of them share with the review committee their loyalty and personal support for the hospital and will be equally concerned at what this study has found. Because they know trustees and staff as neighbours and friends, they will find some comfort in the committee's characterization of their dedication to this hospital. Clearly, they were trying to do their best.

In this regard, it is useful to recall that this review was originally requested by the hospital board as a means of responding to what they believed to be unfair and inaccurate criticism of the hospital in the Toronto media.

The report speaks for itself, and no useful purpose would be served in the House today by reciting the litany of problems it identifies. Over the next few days members will have an opportunity to review all aspects of the report so that we may deal expeditiously with the bill that I will introduce shortly.

Although the report has just been received, members of the committee were sufficiently concerned with what they were finding to alert both the administration of the hospital and my senior staff to specific issues so that critical problems could be addressed in an ongoing way.

At the same time, they shared with the ministry the limitations of the Public Hospitals Act to deal decisively with inadequacies such as they found at East General. In these cases, the government must be able to intervene in the interests of the broader public whom we all serve.

The change we are recommending to the legislation is based on provisions that most other provinces already have to deal with problems of this same sort.

This brings me finally to the members of the review committee. As Minister of Health, I have direct dealing with a great many people who give incredible amounts of time, energy, skill and devotion to the health care system of this province, but I can recall few who have given it with the sense of purpose and generosity that characterized the work of Charles Clark, Pat Blewett and Dr. Louis Wadsworth.

They have met on an almost continuous basis for the past five months to examine this problem in detail. They solicited opinions throughout the community, and they personally interviewed more than 150 persons who felt they had something to contribute to the review.

This is all the more remarkable because Mr. Clark had also simultaneously to maintain his very active law practice in Windsor, Mr. Blewett is the executive director of University Hospital in London, Ontario, and Dr. Wadsworth had full-time responsibilities at Shaughnessy Hospital in Vancouver, British Columbia.

It is clear that we all have immediate reason to be grateful for their efforts, and I believe the hospital community of Ontario and the citizens they serve will be indebted to them.

ORAL QUESTIONS

ASTRA/RE-MOR

Mr. Smith: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations.

Following our discussion of last Thursday, I want to ask the minister a question on the matter of the Astra/Re-Mor affair, since the minister knows full well that the courts have been asked to address themselves to some very specific and relatively narrow legal issues, and many important questions will not be answered in the courts, such as questions concerning discrepancies in the testimony of ministry officials before the standing committee on administration of justice committee, the role of the Ontario Securities Commission in this whole affair and so on.

Will the minister assure this House that he will recommend to his cabinet colleagues that the justice committee should be allowed to resume its inquiry or, failing that, that a royal commission on Astra and Re-Mor should be established so that an end can be put once and for all to the current government policy of continued cover-up and stonewalling?

Hon. Mr. Walker: Mr. Speaker, on April 23, when I gave a statement in this House on the resumption of the Legislature, I indicated that I expected at some time the whole question of licensing would be properly entertained, likely by some kind of committee of the Legislature. Whether ultimately that is the justice committee or some other committee obviously remains to be seen. At the moment I can give the member no undertaking of that indication.

Mr. Smith: Since we are not talking about the whole question of licensing, but about the Astra/Re-Mor affair, I hope the minister will be more specific in his further answers.

On the more specific matter that the minister took exception to last Thursday—that is, the claim that possible organized crime links existed in the Astra/Re-Mor affair—the minister suggested it was mere innuendo and I was unwilling to name other names or give other evidence.

The minister surely knows or should know the general nature of the documents that are in the possession of his ministry and were made available to the justice committee. He also knows that members of the screening committee who looked at those documents are bound by their oath to the Speaker concerning the specific contents of these documents.

Does the minister therefore intend to ask the Speaker to release these people from their oath so they can say exactly what they have seen that pertains to organized crime in the documents, which I am sure the minister has seen or should have seen by now, or will he acknowledge that information exists in his possession that strongly points to these links and stop this sanctimonious protestation to the contrary?

Hon. Mr. Walker: The matter I referred to on Thursday arose out of the press conference at which the Leader of the Opposition, when posed a question by a member of the media relating to any criminal underworld connections, made some reference to one individual who had some federal connection but then indicated that was the only one he cared to talk about at that moment.

2:20 p.m.

To my way of thinking, that left the Leader of the Opposition with some information I felt should be communicated to the police forces. I want the police forces to be made aware of whatever it is he cares to talk about at the moment. If there is some additional information, I hope that will be communicated to the police forces so we can benefit from it.

At this time, the only impression left in my mind is that there must be some information in the mind of the Leader of the Opposition that should be addressed relating to some criminal underworld connections in this entire matter. I am not aware of what they are. I know the name he floated out during that press questioning period. I am just interested in having him communicate the balance of the information to police forces so it can be properly investigated.

As the Leader of the Opposition well knows, there are criminal charges before the courts at present, preliminary hearings have been held and people have been bound over for trial with respect to the matter. If there are additional criminal charges to be laid, I want those things to be continued.

I do not have the benefit of knowledge from the files. I was not on the committee at the time, and I was not privy to those matters. I have been dealing with the matters as they were presented to me on my arrival in the ministry two months ago.

I say to the Leader of the Opposition that if he has additional information—and he must have, because he said, “That is the only one I care to talk about now”—then in the interest of justice, I wish him to bring that information forward and have it transmitted to the police forces.

Mr. Cassidy: Supplementary, Mr. Speaker: Will the minister say what the government intends to do to keep the promises to the Re-Mor investors, promises that were made during the election campaign when the Conservatives were seeking to get back into power and have subsequently been broken?

Specifically, will the minister explain why it is that during the election campaign the government said they hoped the matter of the investors would be resolved by midsummer, whereas now no court cases will be undertaken at least until September or October?

In addition, will the minister explain how those investors will be able to collect on the promise made by the Premier (Mr. Davis) himself, that they would be compensated if government negligence was shown, when the only cases now before the courts are to deter-

mine legal liability and not the question of negligence? What does the government intend to do to establish whether negligence occurred?

Hon. Mr. Walker: On the question of negligence, Mr. Speaker, we anticipate and hope that the test cases will establish the kind of answer that would be required in that situation. We realize in our continuing negotiations with Ottawa—and I have had a number of discussions with people in Ottawa—that the question of our defence has to be properly asserted. Consequently, those test cases are essential to establish the degree to which negligence is present. We are continuing that aspect of it.

In addition, we are satisfied there are some problems that were amply displayed during the hearings as they relate to my ministry and the manner in which it deals with registration or licensing. I attempted to address those on Thursday night and brought out about five or six points in response to a question posed by the member for Ottawa East (Mr. Roy) which related to alterations we have made within my ministry.

For the benefit of the record, that is the first time I have ever been asked a question about Re-Mor. I have been asked many questions in this House about the committee and whether it should be dealing with one matter or another, but it is interesting to note that I have been asked no questions by any member relating to what we as a ministry are doing in respect of the Re-Mor matter. There are a number of areas we have addressed.

Some hon. members: Tell us.

Hon. Mr. Walker: For those members of the opposition who are saying "Tell us," I will be very pleased, if I may, to repeat my answer to the question.

I see you shaking your head, Mr. Speaker. May I then simply refer members to the answer I gave on Thursday night and say that those are half a dozen of the things we are doing. There are more things we intend to do to address the problem. We intend to tighten up the whole registration concept.

As I indicated in my statement on April 23, it is my intention to ultimately address this whole question of licensing and what the public really expects from a licence. There are different aspects of licensing that are very important. For instance, the matter of licensing as it relates to a mortgage broker is quite a bit different from its relationship to a marriage licence, which of course would not have the same guarantees as well.

In addition, I addressed the Ontario Mortgage Brokers Association not too long ago. I will be pleased to supply members of this House with the proposed changes as they relate to mortgage brokers alone and the way we are tightening up on that. It is interesting that, although press accounts appeared, no one chose to ask me a question about that. The only questions were on the committee and when the Ontario Securities Commission was going to answer.

Mr. Smith: Given that the minister has now stated that he has not bothered to familiarize himself with the file on the Re-Mor/Astra matter, will the minister undertake to do so? Once he has done so, will he then admit to this House that there are documents there that give clear relationships that might be possible between organized crime and the Re-Mor/Astra companies in the whole affair?

Will he either release my people from the oath they have taken so they can state what those relationships are or, at the very least, admit that the material is there and recognize that this is only one reason, among many, why we need a royal commission to clear up this entire affair?

Hon. Mr. Walker: I have to say that the Leader of the Opposition is posing some interesting questions. One aspect of the question involves an oath taken, and I do not feel I am in a position where I can release a person from that kind of oath. I am sure that has to be a decision taken by someone other than myself; I presume either by this House, the Speaker, the crown attorney or somebody.

Mr. Smith: Read the file; admit it is there.

Hon. Mr. Walker: Will the Leader of the Opposition please allow me to finish the point I am making? It is a courtesy I think I have extended in terms of his asking the question.

Some of the members of the committee have not been re-elected in that period of time, and they too were under the same kind of oath.

My only point is that the Leader of the Opposition—who was not a member of that subcommittee, to my knowledge, but I may be wrong; I do not believe him to have been a member of the subcommittee—seems to have some information that he suggests on the record is there about some organized crime. If that is

the case, I think it is his duty to this House to reveal that information to the crown attorney. If I can facilitate that information—

Mr. Smith: It is in your file.

Hon. Mr. Walker: I just want him to reveal the information he has on it.

Mr. Smith: Will the minister look at his own file? Will he undertake to do that much?

HOSPITAL EMERGENCY SERVICES

Mr. Smith: Mr. Speaker, a question for the Minister of Health: Is the minister aware that hospitals in Metro Toronto are in a position of having to close their doors to ambulances carrying emergency patients for several hours each day? In the case of the Toronto East General Hospital, just as a topic of conversation, two or three times a week it is having to close its doors. In the case of the North York General, it is happening almost every single day; as recently as June 8 they had to book themselves out of service for the duration of the entire evening shift.

Does the minister not understand the hardship that this imposes on people who need immediate help and who are put at some risk because they have to be transferred from hospital to hospital? Is he aware that there is now a problem resulting in ambulances being diverted from hospitals on a fairly regular basis in Metro Toronto, just as in the very similar situation in Hamilton which I brought up some months ago?

Hon. Mr. Timbrell: Mr. Speaker, when he takes a look at the report I tabled today, the honourable member will find that one of the observations it makes with respect to the emergency department at the East General is that it seems to be, for its size and location—I am paraphrasing now—handling more than its share.

Mr. McClellan: “Overcrowded” is the word.

Hon. Mr. Timbrell: I will come to that too. I took a number of hours to read the report; the honourable member has had about 20 minutes.

Mr. McClellan: That is your fault; not mine.

Mr. Foulds: You are a slow reader.

Hon. Mr. Timbrell: I just take time to think. That is the basic difference in our approach. We have to look at the question of the distribution of the emergency case load.

2:30 p.m.

Mr. Speaker: Direct yourself to the question, Mr. Minister.

Hon. Mr. Timbrell: I was aware that the honourable member was calling certain of the hospitals about this. I have to tell him, first of all, that no hospital turns away anybody who presents himself at its emergency department, including the ones the member called. Nobody is turned away.

Mr. Smith: Nobody is turned away? The ambulance is turned away.

Hon. Mr. Timbrell: Secondly, the law that requires an ambulance attendant to take a person whose life is in danger to the nearest facility still prevails. Such persons are not going to be denied.

There is no question that certain of the emergency departments have pressures on them. A number of them have been updated in the last couple of years. One of the recommendations in this review of the Toronto East General is that its emergency facility should be updated; it was improved a few years ago with the addition of a 10-bed observation unit. They make further recommendations for improving the physical plant and expanding the availability of ambulatory care programs.

It would be wrong to leave the impression unchallenged that people are being denied entrance to the emergency facilities if they arrive on the scene or are taken there and are in a condition that is life-threatening. In cases where they are not, in central dispatch they do try to even the load as much as they can among the hospitals in Metropolitan Toronto that have emergency departments, and of course not all hospitals have emergency departments.

Mr. Smith: Is the minister not aware that what happens is that the emergency department calls the ambulance service and books itself out of service for several hours at a time, or for an evening shift or whatever?

Is the minister also not aware that it is not just the Toronto East General where this is happening? At Humber Memorial Hospital, for instance, they do not like to book themselves out of service but they have to from time to time, and currently one out of seven of their active treatments beds is occupied by a chronic patient who should not be there. At North York General Hospital they also have had to book themselves out of service from time to time.

Does the minister not realize that this means ambulances carrying ill people will have to take these people to hospitals where perhaps their doctors do not practise or perhaps their cases are not known? Does this not indicate to the

minister a very serious discrepancy in terms of the number of doctors practising in any given place or the number of emergency facilities available, as well as a serious discrepancy in the number of beds available?

Does the minister not admit that a situation where emergency departments are repeatedly booking themselves out of service to ambulances is a very serious one indeed and is not exemplary of what he likes to call the best health care system in the world?

Hon. Mr. Timbrell: I do not think there is any doubt about that. Even the report I tabled today makes the observation again that we have the one of the best hospital systems in the world.

First of all, not every hospital has an emergency department; so it is entirely possible, to use the honourable member's example, that one very well might be taken to a hospital where his physician does not practise, because the physician may be very well practising in a hospital that does not have an emergency department in the first place.

Secondly, I have already indicated that it is my understanding, from discussions with my staff and a number of the hospitals, that of the people who take themselves to hospital—do not forget that not everybody goes to the emergency by public transit, so to speak; i.e., ambulance—nobody is turned away.

Third, it is my understanding that the legal requirement on an ambulance driver to take a person whose life is in danger to the nearest facility still prevails, and such persons are not turned away.

I accept that a number of facilities get overtaxed. We try, within the bounds of our operating and capital budgets, to recognize that as much as possible. Several hospitals have already expanded their emergency departments, and several others are in the process; in fact, I anticipate that the Toronto East General will be one of them in the next couple of years.

But let us not leave the impression unchallenged that people are being denied care in life and death situations, because such is not the case.

Mr. McClellan: Supplementary, Mr. Speaker: In dealing specifically with the problems identified at the Toronto East General Hospital, does the minister concede the difficulties within the emergency department identified in this report are attributed by the authors of the report to a shortage of acute medical beds, and specifically to the fact that there are approxi-

mately 130 patients in acute wards who should more properly be in long-term institutions? What does he intend to do about that?

Second, what does he intend to do about the recommendations for the opening of an ambulatory care unit run by family practitioners, again to take pressure off the emergency department at that particular hospital? Finally, could he comment on the applicability of these two suggestions to other hospitals within Metropolitan Toronto, because I suspect they have general application?

Hon. Mr. Timbrell: I do not know whether they have general application, Mr. Speaker, because every hospital has a different range of specialties available to it. I have mentioned the fact that some of the hospitals do not have emergency departments. For instance, Mount Sinai Hospital down the street here does not have an emergency department. There are two across the street at Toronto General Hospital and the Hospital for Sick Children. Certainly I would anticipate we will see plans develop for improvements in emergency departments.

I would point out to the member again that if he were to read the whole report he would find they do make mention of the fact there was a recent rather significant capital program at the Toronto East General Hospital to the extent of—I think I am correct—about \$23 million, which involved the addition of, I think, in excess of 50 acute care beds.

Ms. Bryden: They are not yet open.

Hon. Mr. Timbrell: The honourable member is quite right. Fifteen are not yet open, because they cannot get the nursing staff to operate them.

In addition to what is there, I should point out that in recent months we have been able to get close to 30 of the longer-term-care patients out of Toronto East General Hospital due to additional beds in existing nursing homes. Above that, as I reminded the House recently, we approved the conversion of more than 200 beds to chronic care at the Providence Villa and Hospital, which is very near the Toronto East General Hospital.

With time, that decision and the conversion of those beds to chronic care will start to help the Toronto East General Hospital to relieve the pressure there, as will more than 200 beds, the bulk of which are chronic and rehabilitative—about half, I guess—at Scarborough Centenary Hospital, plus a 300-bed hospital at the

L'Amoreaux site in Scarborough, to be run by the Salvation Army. At least 100 of those beds are likely to be chronic care.

That is not to say we cannot do more. Perhaps there are other specific things. I have had discussions with several hospital staff members in the east end who have certain ideas about things they could do for the long-range future. We will be looking at those as well.

The report does not deal with the things that have already been done; they are significant.

Mr. Van Horne: Mr. Speaker, I would like to go back to the response the minister gave our leader on the Humber Memorial Hospital. It is our understanding that an administrator, in making reference to the problem, suggested the real nub of the issue last summer was the shortage of active treatment beds, and that last summer was wild but this summer it is going to be even worse. Can the minister give us any assurance that the active treatment bed situation at Humber Memorial Hospital will be better this summer?

Hon. Mr. Timbrell: Mr. Speaker, I have it directly from the administrator, the chairman and vice-chairman of the board—and indeed the whole board, which I called in at one point last fall—that at this point last year, based on a review of utilization of the hospital in the previous couple of summers, they made certain decisions with respect to the numbers of beds that would be staffed and available. They found by midsummer that the utilization of their hospital was quite different from what they had experienced in previous years. In fact that appears to be happening system-wide, for whatever reasons.

The utilization of acute care beds is not dropping in the summertime as it traditionally used to and this is causing some problems. So it was not a case that they were ordered to close X, Y or Z number of beds. They made a decision based on a review of past utilization. The past utilization trends did not prevail and they found by midsummer that they had to try to gear up. Of course they had based their entire holiday schedule and everything else about the hospital on that review. But they geared up—

Mr. Smith: Quote, "Last summer was wild but this one is going to be worse," unquote.

Hon. Mr. Timbrell: Mr. Speaker, I do not know why the Leader of the Opposition hates to let anybody answer a question. He loves to listen to himself.

They geared up as quickly as they could to put the beds back into service.

2:40 p.m.

CO-OPERATIVE HEALTH SERVICES

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations (Mr. Walker). I would like to know whether he will be a bit more eager in trying to protect the people who suffered as a result of the collapse of Co-operative Health Services of Ontario than he has been in the case of the investors in Re-Mor?

Has the minister had a chance to familiarize himself with the sequence of events that has led Mr. Peter Clarke, the fired general manager of Co-operative Health Services, to take a \$633,000 profit from the sale of property that was initially put into the name of Co-operative Health Services and subsequently has been the subject of legal wrangling as to whether or not it should belong to him or to the company that has gone bankrupt?

Has he also familiarized himself with the fact that his predecessor, the former Minister of Community and Social Services (Mr. Drea), called Co-operative a scam, and said specifically that it was financially unsound and had entered into legally improper investments that would help to lead to its bankruptcy?

In view of all those circumstances, and in view of the fact that the receiver has now entrusted the matter to the courts, in an effort to reserve that \$600,000 profit that is in Mr. Clarke's pocket until it can be established whether the money should go to Mr. Clarke or to the 140,000 people who suffered from the bankruptcy, will the government now bring in legislation that will reserve that money until the legal wrangling is over, so that those people who suffered from the collapse will not lose that major portion of what should be coming to them?

Hon. Mr. Walker: Mr. Speaker, I will look into that very question. I will say that in essence it was the province that pulled the plug on Co-operative Health Services of Ontario, placed it into bankruptcy and thereby preserved, hopefully in sufficient time, as much as possible of the assets that remain in this particular company.

It hits rather close to home because my own parents-in-law were members of the plan, so I have had rather intimate knowledge of it over the last while. I will say that the one thing that was very surprising in all this was that the money that was lost was run down over a period of two months. Up until then they had been maintaining proper floats and maintaining a proper

degree of liquidity, and that was being continuously supervised on the regular routine basis. What happened in a period of June and July of one year was that practically all the money in the whole place just disappeared, all the money that was lost. That has been creating a regrettable problem; it is a regrettable collapse.

On the point that the honourable member raised I would have to have some more professional advice from the financial institutions branch, but I will certainly seek that information and relay that to the member.

Mr. Cassidy: Does the minister see the urgency of this question? The fact is that once that money is paid out to Mr. Clarke, he has said he intends to use it to pay off other personal debts that he may have. The result of that would be that \$500,000 or more, which is equal to the remaining assets of Co-operative Health, may be funnelled away from the company and put into Mr. Clarke's own personal pocket. In fact, that is what is now occurring, unless there is legislation here to stop those transactions, to freeze the funds until the courts establish who should get them.

Why will the minister not come to the defence of the people in Co-operative Health Services, to keep that money in trust until it can be established who it belongs to? Why are they never prepared to come to the benefit of little people who suffer when companies go belly-up here in Ontario?

Hon. Mr. Walker: That just is not the case. When we delete the rhetoric from the question that has been posed, I would merely say the matter is in the hands of a receiver. A receiver is attempting to accrue as much as possible of the continued assets. The courts have dictated the manner in which that will be decided.

The member has introduced an aspect to this that merits an answer. I would like to go back about three paragraphs and tell the member that the answer I made at that moment was that I will elicit the information from our financial institutions branch about the question he has posed, and in response to that question I will provide that information to him.

He has asked how quickly, and I will see to it that he gets that, hopefully, within the next couple of days.

Mr. Cunningham: Supplementary, Mr. Speaker: Is the minister not aware that his own superintendent of insurance was prepared to shut down both this company and its predecessor, Delta Dental Plan, because of its excessive

ratio imbalance as per the ministry guidelines, some one year before its ultimate collapse, notwithstanding the fact that the former minister referred to it as being solid as the rock of Gibraltar?

Hon. Mr. Walker: No, Mr. Speaker, I am not aware of that; in fact I believe that was not the case but I will check that out.

Mr. Renwick: Supplementary, Mr. Speaker: Is the minister clear in his mind that, as I read the report of the case, the money has already been paid over to Mr. Clarke and the minister will have to move with immediate speed to introduce legislation here to hold it in trust until the ultimate ownership of those funds is determined?

Hon. Mr. Walker: Mr. Speaker, I appreciate the point the member for Riverdale has made; it is identical, of course, to the point made by the member for Ottawa East (Mr. Roy).

DIOXIN IN FISH

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of the Environment about the reports of dioxin in fish in the Great Lakes, not just in Lake Ontario.

On May 26 the minister told this House there was nothing at this stage that would indicate any cause for alarm. He then assured the House that if there were any indication of any cause for alarm from dioxin in fish in the Great Lakes we would proceed to ban fishing or take some appropriate action.

In view of the reports that have now come from the United States Environmental Protection Agency, and in view of the minister's own statements that the government has established levels of 22 parts per trillion of dioxin found in fish in Lake Ontario, would the minister now agree there is cause for alarm? What action does he intend to take to protect the people of this province against this known carcinogen?

Hon. Mr. Norton: Mr. Speaker, first of all there are a couple of incorrect assumptions in the honourable member's question. I believe he said, if I heard him correctly, that we had established levels of 22 parts per trillion of dioxin in certain fish in Lake Ontario. That, to the best of my knowledge, is not correct. I think the reporter in question—if the member is relying upon the news media for his information—showed me certain figures in a confidential American document that had come into his possession, and pointed out a figure of 22 parts per trillion as a level that, under one of two

alternative criteria that were examined in that particular document, might raise concerns about health.

I responded by saying we had not detected any levels that high. I did notice in the newspaper report that this somehow came out as saying we had not detected any higher than 22. That was not what I said, and I think the import of those two—my response and the way in which it appeared in the report in the newspaper—are somewhat different, in fact quite dramatically different.

I would also suggest the report to which the member refers, that is the document from the EPA, again to the best of my knowledge is not a final report. I have not seen it other than to see a copy in the hands of the reporter. As I understand it, it was a document that was, among other things, examining the question of the health implications of the ingestion of even small quantities of dioxin. There were two different approaches: the one was based on the testing of rats, which came to one conclusion when extrapolated to human beings; the other was taking the American drinking water standard and extrapolating that to fish.

I have no way of knowing, nor do I believe the reporter had any way of knowing, how that extrapolation was conducted. In any event that report, as I understand it only from conversation with the reporter, is a draft internal document of the EPA. I do not know to what extent the final report, when it is completed, will be accepted by the scientific community as establishing valid health standards.

I do not think the responses the member suggests might be appropriate at this time can be based on that document in that condition, when in fact two quite different levels are discussed in that report, one of which would place anything we have found—as I understand the report—well within a safe level. If one takes the extrapolation from the drinking water to fish, then it does raise some real concerns. But no one is in a position at this point to know which of those is more valid or whether either will be accepted in the final report.

2:50 p.m.

Mr. Cassidy: Mr. Speaker, the minister is clearly saying there are levels of dioxin found in the ministry's own testing, although he says it is not as high as the 22 parts per trillion quoted in the press. Is the minister not aware his own ministry's report on the health implications of contaminants in fish says quite explicitly that in the case of carcinogens like dioxin no absolutely safe level exists?

In view of that, is the minister saying that despite the findings of his ministry three years ago that there is no absolutely safe level, he is determined there is an acceptable level of cancer which can be tolerated from fish coming out of the Great Lakes and that is the standard he intends to permit, or is he prepared to say there is cause for concern because he has found levels of dioxin? If that is the case, what are the levels of dioxin the minister has found and what is the government going to do about them?

Hon. Mr. Norton: Mr. Speaker, I do not mean this initial response to be treated as facetious by any means. We are discussing a serious subject, but by the same token I could not give the leader of the third party any guarantee there is an absolutely safe way in which to cross the street. There are no absolute guarantees in life. Surely he is realistic enough to understand that and I am not going to pretend there are.

However, if he is asking whether I am saying there are safe levels, I am not saying there are levels that are safe or not safe. In regard to the work that is at present under way, my reference, as I have indicated in the House before, is to raw data and preliminary results. The final results of our tests, as a result of the cross-checking for the round robin testing, are not available to me yet. I expect they will be by the end of this month.

Once those are completed and there has been a comparison of the results with the American research that is going on, and in co-operation with the Canadian government as well, it is our intention to publish a comprehensive report on the results of those tests as triple-checked, along with medical advice in so far as we are able to obtain it. That is being sought and drawn together at this time, so that when the report is available it will contain the best advice we can give in terms of any known medical implications of the levels that have been detected.

Mr. Kerrio: Supplementary, Mr. Speaker: That information supposedly was going to be given to the House by the former minister months ago. I suppose the minister is aware of that.

There is another thing I am concerned about. When the minister is studying acceptable health hazards from dioxin, I wonder whether he is going to look into the synergistic effects of dioxin, DDT, PCBs and mirex mixes in the lake?

If the minister is even going to allow certain concentrations, will the minister consider taking advice from the International Joint Commission's Great Lakes science advisory board, which in 1980 suggested the concentrations of

such dangerous compounds be limited to detectable limits of the best available technology because they pose such a great threat to the people in the Great Lakes basin?

We really do not know the interplay. There could be a great deal more danger than we might know from each of these individually. Until we are positive, we should eliminate any we can detect and not talk about safe concentrations.

Hon. Mr. Norton: Mr. Speaker, as far as the human ingestion of any levels from water are concerned, no detectable levels of dioxin, for example, have shown up. I can assure the honourable member that if that were to occur it would be quite a different matter from finding very low detectable levels in certain very limited numbers of fish samples out of the total of a much larger scientific sampling.

If the member is asking whether I will accept advice, I will accept advice from any knowledgeable person who is willing to offer it, and will take it into consideration in trying to reach conclusions on these matters. I am not closed to receiving advice provided it is carefully thought out advice. The question referred to the synergism of all these various, although minute quantities—nevertheless, in some instances detectable quantities of contaminants in water—and obviously that is something we have to continue to look at very carefully and try to determine.

If there is any indication, on the basis of the most advanced medical knowledge and on the basis of the most advanced testing technology we have, of any hazard to human health, of course I would not hesitate to act responsibly in the interests of protecting the health of the people of this province. At this time, on the basis of the best medical and other advice I can obtain, I do not believe that kind of action is indicated.

Mr. McClellan: Mr. Speaker, it is starting to sound like asbestos all over again. Is the minister not personally aware of the January 25, 1980, document filed by the EPA with respect to the hazards of TCDD? Specifically, is he not aware of the laboratory testing that has established that animals with doses at least as low as one ten-millionth of a gram of TCDD per kilogram of body weight were susceptible to induced cancer? Is he not aware of the data that indicated TCDD injures or kills animal embryos in doses as low as one billionth of a gram per kilogram of body weight per day? Is he not aware from that same document that the EPA in

the United States has accepted it as scientifically valid that humans are as susceptible to these effects as those animals which appeared in the tests?

If he has not seen that material, will he kindly make himself familiar with it so that he will come to the only rational conclusion, which is that there is no safe level for TCDD in fish? If he has detected any amounts of TCDD in fish, he has a moral obligation as minister to make the results of that testing available and public immediately so that citizens can take whatever action they need to protect themselves and their families.

Hon. Mr. Norton: If I recall correctly, I believe the honourable member is referring to Brett's tests on rats. If he were to take those results, based upon the body weight comparisons to which he referred, I think he would find that is part of the same information that is being used in this draft document his leader referred to as one of two ways in which the question of tolerable levels is being approached in the EPA document. From those data they do extrapolate to human consumption based on body weight, and come up with a figure of, I believe, 22 parts per trillion, and then suggest a safe consumption level of half a pound of fish a week, or some figure like that.

If that is what the member is referring to, yes, I have some familiarity with that, but again I don't think even the scientists who are working on the preparation of the draft document upon which his leader is relying in his question would come to the same conclusion he has, which is that there are no safe levels. That may ultimately be the conclusion of this exercise within the medical and scientific community, but I don't think people who are much more medically and scientifically trained than either I or the member have reached that conclusion yet.

In the meantime we are working to try to establish what levels may exist in our environment. We don't know, nor does the member know, what the existing background levels might be prior to any injection of contaminants from industrial sources, for example. As soon as we have completed that information and can pull together the best medical information we have, as we will shortly, we will release that information to the public, share it completely in the context of the best knowledge that is available—

3 p.m.

Mr. McClellan: The minister should take his time. We have learned from asbestos how to deal with these problems.

Hon. Mr. Norton: I know, Mr. Speaker, that I should not respond to interjections, but I do think those of us in this Legislature, when we have information, must bear a degree of responsibility to share it openly and freely with the public, along with the very best advice we can give, and not to respond in an unnecessarily alarming way with a little bit of information without giving full and complete information if it is available.

RADIOACTIVE WASTE DISPOSAL

Mr. O'Neil: Mr. Speaker, my question has to do with the dumping of radioactive waste in the vicinity in the Bancroft area, and it is directed to the Minister of the Environment.

Since I have been told within the last week that the Atomic Energy Control Board is only an active agent for a federal-provincial task force concerning this dumping—in other words, that approval has to come from both the province and the federal government—I wonder whether the minister can tell me what the present situation is as to plans to dump that radioactive waste in the Bancroft area. Could I also ask him whether any pressure has been exerted on him by the Honourable Paul Cosgrove or the member for Scarborough North (Mr. Wells) to get rid of that stuff from their ridings?

Hon. Mr. Norton: Mr. Speaker, I can tell the honourable member that although the Minister of Intergovernmental Affairs (Mr. Wells) thinks there certainly has, in the relatively short time I have been in the ministry pressure has not been brought to bear on me by anyone other than perhaps the member for Hastings-Peterborough (Mr. Pollock). He obviously has a very direct interest and concern in this matter on behalf of his constituents, and it has been a matter for constant and ongoing communication between him and me.

The problem, of course, is that, contrary to whatever information the member may have, I am advised I do not have any decision-making authority in this matter. As has been indicated before, it is correct that there was some consultation on this matter at the staff level in the ministry. I believe it has also been indicated that there was some communication with federal counterparts by persons in the Legislature who have a particular interest because of constituency involvement and so on. But I do

not believe that if I were to stand here today and say it ought not to go in there it would make one whit of a difference.

I have indicated, and would still maintain, that on the basis of the best advice I can get on the matter, the level of contamination in the soil is so low as not to constitute a threat. I said before that it may have the effect of reducing the ambient radiation in that particular area from the mine tailings, which have, although perhaps not a hazardous level, a higher level of radiation than the soil.

Mr. O'Neil: If the minister were to speak to his people I think he could certainly put a stop to this. But I will ask this: Since many people are very upset about this—not only the residents of the area but a lot of municipal people and even the past member of the Legislature, Clarke Rollins—I wonder if I could have the minister's comments on a recent letter that was sent to the Honourable Marc Lalonde and the Honourable Paul Cosgrove from Mr. Jennekens, who is president of the AECEB, in which he states:

"However, it is evident that we must not cease our efforts in the Bancroft area, which is of considerable natural beauty. There is a clear obligation on the part of the federal and the provincial governments, acting in consultation with county and township authorities, to establish a comprehensive remedial action program covering the abandoned tailings areas previously operated by uranium mining companies which have long since ceased operations in the Bancroft area."

I ask the minister whether he will not intervene, since it is his people who are on this joint commission, to put a stop to this, to tell them himself that he does not want that material dumped in the Bancroft area. If the minister is saying it is not harmful, why is he taking it out of Scarborough? Why does he not put it somewhere else in that riding or take it down to his own riding?

Hon. Mr. Norton: There are many times when I wish there could be what we might call an opposition day in which the people on this side of the House could ask questions of those on the other side. If I were in such a position, I would be interested to know just what communication the member for Quinte might have had with Mr. Cosgrove on this matter. If he is so deeply concerned, he might well choose to communicate with his federal Liberal Minister of the Environment, who he acknowledges has a very keen interest in this matter.

I have not seen the memo to which the

member refers. Mr. Cosgrove does not necessarily share his memos with me. Obviously he does see an advantage from time to time in sharing his memos with the honourable member.

I point out once and for all that there is a difference between ministry staff working in co-operation with federal staff and my ministry or this government having the decision-making responsibility. I have tried to make that distinction and, if the member thinks about it, he can understand that distinction.

If the member would like to ask that question again, he might face in the direction of Ottawa and raise it with Mr. Cosgrove. He may have more influence in this than I. To try to suggest that the provincial government has the decision-making authority in this instance is barking up the wrong tree.

Mr. O'Neil: On a point of privilege, Mr. Speaker: Just so the minister will be aware of it, I did not get a copy of that memo from the federal minister; I got it from Mr. Jennekens, who is with the Atomic Energy Control Board.

Mr. Speaker: That is not a point of privilege.

Mr. Charlton: Supplementary, Mr. Speaker: Regarding this situation in Bancroft, will the minister tell us why his ministry staff are telling people there that there is nothing the Ontario Ministry of the Environment can do, because the AECB has exclusive authority, while on the other hand the minister makes a very uncategorical statement to the press that, after the soil is moved to Bancroft, there will be no further movement of anything else to that site. If the minister does not have any authority, how can he make a statement like that?

Hon. Mr. Norton: There is an erroneous assumption involved in that question, Mr. Speaker. The question I was asked —and I do not recall that it was necessarily asked by the press; I thought it was in the House, but it might have been by the press outside the House—was, "Does the provincial government have any plans for developing a waste disposal site?" Clearly, there was no reference in that question to radioactive waste.

I made it clear in my response that we had no jurisdiction over the question of radioactive waste, but I could assure them that we had no plans to develop a waste disposal site in that area. I could not speak for all the municipalities there, because municipalities from time to time do have to look for waste disposal sites for their domestic waste. At that time, they would require some involvement with my ministry.

In responding to that question, I did not intend to imply, nor did I imply, that we had any jurisdiction over radioactive waste disposal at this time.

Mr. Pollock: Supplementary, Mr. Speaker: The mayor of Scarborough went on record as opposing the placement of this radioactive soil in a sanitary landfill site. Does that indicate to the minister that the soil is not dangerous?

Hon. Mr. Norton: Mr. Speaker, I have received opinions from people who are much more expert than I in the area of radioactive waste, particularly in this instance of very low levels of contamination. My conclusion is not formed as a result of the opinion expressed by the mayor of Scarborough. I do not wish to offend the mayor, but my opinion is based upon more expert advice than I suspect he could offer me on this subject.

3:10 p.m.

FEMALE SOCCER PLAYERS

Ms. Bryden: Mr. Speaker, I have a question for the Minister of Labour.

In view of the report in this morning's *Globe and Mail* that female players on teams competing in an international soccer tournament sponsored by the Canadian Youth Soccer Association later this month will not be permitted to play in this tournament, will the minister clarify whether this kind of discrimination will continue to be allowed under the new Human Rights Code contained in Bill 7? If so, will he undertake to amend that bill to make it clear that discrimination in sports on the basis of sex will be clearly outlawed?

[Applause.]

Hon. Mr. Elgie: Mr. Speaker, the member for Scarborough West (Mr. R. F. Johnston) apparently wanted to join a girls' soccer team. Is that what the applause was all about?

I am sure the member for Beaches-Woodbine (Ms. Bryden) well knows that the particular case referred to in the paper today falls within the realm of the Canadian Human Rights Commission and not the Ontario Human Rights Commission. She also well knows the Supreme Court of Canada has said on two occasions that our human rights commission does not have jurisdiction in such matters.

As to whether the new code addresses those issues, that is a matter we can discuss in committee.

Ms. Bryden: In view of the fact that the

sponsoring organization receives public funds directly or indirectly, can the minister discuss with them this discrimination and see whether a change can be made and, if necessary, see that there is a change in the Human Rights Code as well so that it does not happen again?

Hon. Mr. Elgie: That is a very interesting point, but the member has overlooked my point, namely, that the particular matter she referred to falls within the jurisdiction of the Canadian Human Rights Commission.

Ms. Copps: Supplementary, Mr. Speaker: In an effort to cover the loophole that currently exists in the Ontario human rights legislation, will the minister assure the House that he will propose an amendment to include services such as athletic activities and facilities and that he will extend those provisions of the code to people under the age of 18 so that the new Human Rights Code will cover all the people of Ontario?

Hon. Mr. Elgie: Mr. Speaker, those are matters that may indeed be covered by the present code, and they can be discussed directly. The member can put her opinion very clearly and have that view questioned, along with mine and other members', at the time of the hearing on this matter.

AIR POLLUTION

Mr. Shymko: Mr. Speaker, seeing that the Minister of the Environment is so popular today, I think I will join my colleagues with a question. My question concerns the air pollutants being discharged by a number of companies in the Junction triangle area in Toronto's west end.

For years now the residents of High Park and the surrounding community have been subjected to extremely unpleasant odours emanating from a number of industries in the Junction triangle. This area is bounded by Bloor, Dupont and Dundas Streets and Lansdowne Avenue. The physical makeup of the area is a combination of industry and single-family homes.

Will the minister, in conjunction with the Minister of Labour, assure the people of High Park and the surrounding area, and the employees of these companies, that (a) the ministry guidelines are stringent enough to prevent health problems, (b) the guidelines are being complied with and (c) the people living and working in the area will not suffer either short-or long-term health effects from the chemicals being discharged into the air by these companies?

Hon. Mr. Norton: Mr. Speaker, the concern the honourable member expresses with respect to any possible health implications of the emissions in that community already have been the subject of considerable concern on the part of my ministry and the ministries of Labour and Health.

The only established standards now existing, that I am aware of, relate to occupational health and safety and the levels at which exposure under those circumstances would be regarded as safe. I can assure the member that any levels that currently exist in the Junction triangle are well below those levels.

The further concern is what effect longer-term exposure at very low levels might have. There is no absolutely certain view medically on that now, although it is believed the levels are not medically harmful.

There are three companies in that community which, I suppose, are principal sources of the unpleasant odours. They are at present under orders from the ministry or under various controls. To a large extent they have been co-operative, with the exception of one that has one appeal of an order from the ministry under way. That has yet to be finally resolved.

I can assure the member we will continue to monitor that situation carefully. We will continue to seek further views from the medical community in terms of any possible risk, even though none is believed to exist at present. We will also continue to work to reduce the levels of emissions that are there at present.

Mr. Shymko: The minister mentioned three companies. One of them, the Anchor Cap and Closure Corporation, was issued a control order in 1978 which the company has yet to comply with. On May 22, 1981, Dr. J. McEwan of the Ministry of Labour stated: "Our medical advisers in the ministry have attempted to assess this aspect of the matter but are hampered by the lack of specific knowledge in the scientific literature." He continued by saying: "It is not possible to state whether minor decrements to health could result from long-term residence in such an environment."

Will the minister do everything within his power to expedite that specific company's compliance with the control order of 1978 at the earliest possible time, considering that there has been two and a half years of delay in complying with the order? That is totally unacceptable to the people in the community whose health and peace of mind are of the utmost importance.

Hon. Mr. Norton: I suppose the simple answer to that is yes. However, I point out that to a large extent that is exactly what we have been doing.

One portion of the order issued in 1978 was complied with very co-operatively by Anchor Cap and Closure. However, there was a second part of that order which it chose to attack and appeal. That appeal has not yet been resolved. There is little I can do while the matter is under appeal. I can assure the member I am optimistic about the outcome of that and we will act promptly as soon as we know the results.

TEMPERATURE IN CHAMBER

Mr. Nixon: On a point of order, Mr. Speaker: Perhaps you are be responsible for this. Do you recall the thoughtful taxpayers installing a water-chilling apparatus in this building at a cost of several hundred thousand dollars? It was supposed to make the atmosphere somewhat more conducive to attention and careful work. How come it is so hot in here? Why can we not cool it off?

Hon. Miss Stephenson: It is those lights.

Mr. Nixon: Oh, they are on every day.

Mr. Speaker: I sympathize with the member, but I ask him for some sympathy having regard to what I am wearing. I do not have an answer, but I will endeavour to find out.

PETITION

RADIOACTIVE WASTE DISPOSAL

Mr. O'Neil: Mr. Speaker, I wish to table a petition signed by 344 citizens from the riding of Quinte and surrounding areas who are objecting to the dumping of radioactive waste from Scarborough into the Bancroft area. These residents feel that the long-term effects of this action may have serious repercussions and that the Minister of the Environment should find an alternative solution.

These are added to the petition presented by the member from the Bancroft area, the member for Hastings-Peterborough (Mr. Pollock), on Friday.

3:20 p.m.

INTRODUCTION OF BILLS

PUBLIC HOSPITALS AMENDMENT ACT

Hon. Mr. Timbrell moved, seconded by Hon.

Mrs. Birch, first reading of Bill 113, An Act to amend the Public Hospitals Act.

Motion agreed to.

Mr. Foulds: Mr. Speaker, since the minister made no statement on the previous bill, and I do not believe the opposition critics have been supplied with the compendium of information that is supposed to accompany such bills, I wonder whether the minister will rectify that situation.

Hon. Mr. Timbrell: Mr. Speaker, I thought I had covered that in my statement at the beginning of the proceedings today and that, in effect, the report meets that requirement.

Mr. Foulds: By way of clarification, does the minister then consider the report the compendium of information?

Mr. Speaker: Is that agreeable?
Agreed.

ONTARIO FRENCH LANGUAGE SERVICES ACT

Mr. Roy moved, seconded by Mr. Boudria, first reading of Bill 114, An Act respecting French Language Services in Ontario.

Motion agreed to.

Mr. Roy: Mr. Speaker, this bill places a duty on the government of Ontario to provide, as of right, public service in the French language to the citizens of Ontario, subject to certain conditions set out in the bill.

The bill also establishes the office of the French language service co-ordinator and the language service board to aid in improving the availability of French language services in Ontario.

You will recall, Mr. Speaker, that this bill was first introduced a couple of years ago. Bill 89, as it was at that time, received the approval of the Legislature, including the approval of the Minister of Intergovernmental Affairs (Mr. Wells); unfortunately, it was viciously vetoed by the Premier (Mr. Davis) and never came up for third reading.

I am presenting the bill again, hoping that the Legislature will take a more progressive view of this, especially in the light of the fact that the Conservative candidate in the last election in my riding, Omer Deslauriers, said he would present the same bill. I am trying to assist him as well in putting the bill forward one more time.

Monsieur le président, cela me fait plaisir de

présenter une autre fois le projet de loi 89, comme de raison on va avoir un nouveau numéro cette fois.

Ce projet de loi oblige le gouvernement de l'Ontario à assurer le droit aux services publics en français dans la province de l'Ontario sous réserve de certaines conditions énoncées dans le texte.

Ce projet de loi établit aussi le poste de coordonnateur des services de langue française ainsi que le Conseil des services de langue française afin d'améliorer la disponibilité des services en langue française en Ontario.

Je voudrais faire référence au fait que ce projet de loi avait reçu l'approbation de la majorité des membres de la Législature en 1978 mais malheureusement avait reçu un veto du Premier ministre de la Province et le projet de loi n'avait pas procédé plus avant.

J'espère que dans l'avenir la Province, c'est-à-dire la Législature, va accepter ce projet de loi et je le présente aussi au nom du parti conservateur, Monsieur le président, vous allez comprendre cela, car Omer Deslauriers, allait présenter ce genre de législation.

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker, on a point of order: The previous speaker was simply trying to outline the purpose of the bill in both English and French, and I am disturbed that you would rise to your feet to interrupt him while he was giving the explanation in French.

Mr. Speaker: At that particular point, he had departed from his explanation of the bill, in my opinion.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 63, 68, 76, 83, 112, 117, 118 and 136 and the interim answer to questions 103 to 111 standing on the Notice Paper. [See Hansard for Friday, June 19.]

ORDERS OF THE DAY

FIRE MARSHALS AMENDMENT ACT

Mr. MacQuarrie, on behalf of Hon. Mr. McMurtry, moved second reading of Bill 59, An Act to amend the Fire Marshals Act.

Mr. Nixon: Mr. Speaker, does the parliamentary assistant want to make some statement of introduction to the bill?

Mr. MacQuarrie: Mr. Speaker, in essence, the bill provides the legislative framework to permit the establishment of a uniform and comprehensive provincial fire code governing fire safety standards. I think the bill is straightforward, and I hope it will receive easy treatment.

Mr. Nixon: Mr. Speaker, I have a few comments to make in connection with the bill. I simply want to say, as the member for Brant-Oxford-Norfolk, that I have a special concern particularly at the delay of the introduction of this bill.

Hon. Mr. Ashe: It is here now.

Mr. Nixon: The interjection from the Minister of Revenue, who as usual is over-eager to participate, is singularly out of place in this connection, because I have before me the transcript of the verdict of the coroner's jury dated January 13, 1975, looking into the deaths of William Aulsebrook, John Cubitt, William Duncan, Ronald Marsh and Arthur Cole, all of the town of Paris in that constituency, who were asphyxiated or burned to death as residents of the New Royal Hotel in the town of Paris.

I can recall very well the shock that this disaster had on the community, and naturally the reverberations even came into this chamber, with questions being asked by myself and others as to the inadequacies of the inspection system. The New Royal is a licensed premises, and it seemed to be the prime responsibility of the liquor inspectors as to whether the residents were properly protected in the event of fire.

I do not want to comment on the capability of the liquor inspector concerned. I suppose it is partly irrelevant to draw to your attention, Mr. Speaker, that he was the principal spokesman for the Conservative Party in the various election campaigns in which I had the honour to be the Liberal candidate.

He was the gentleman, when the Conservative candidate could not bring him or herself to appear at public meetings, who would appear as the principal spokesman for the Progressive Conservative Party. That does not necessarily dismiss him as completely incompetent.

I do not want to make a joke about this because he was the person, along with the other inspectors responsible to the Liquor Licence Board of Ontario, who allowed the situation to go on in this particular hotel which resulted in these deaths.

I cannot blame the individuals concerned. I do blame the inadequacies of the law of

Ontario. That is why I say I am deeply concerned about the delay. I simply say this was an important case in which there was a serious loss of life and where there were clear recommendations from the coroner's jury about actions that should be taken and could only be taken by the government of the day to correct the situation.

3:30 p.m.

Recommendation number five from that coroner's report is as follows: "That a special committee be established to study and recommend improvements in the relationship, in lines of communication, in lines of authority, in defining responsibilities and in securing co-operation between those various authorities having jurisdiction over structural, electrical, fire safety, health and licensing matters as related to hotels."

The evidence before the coroner's jury was frighteningly clear that there were no clear lines of responsibility. It was thought at the time that the government would take action without delay to correct what really was a dangerous and, in fact, lethal situation.

I draw to your attention as well, Mr. Speaker, something you probably are very well aware of, and that is a similar fire that occurred in Hamilton. The fire was in the Wentworth Arms Hotel. Once again it was an older structure, one that had substantial patronage and a number of permanent residents, and it resulted in the death of five citizens of the Hamilton area.

The coroner's jury was convened on October 2, 1978. Its first recommendation was that all fire-prevention inspections in the province should be carried out under the general supervision of the Ontario fire marshal's office.

These were reasonable and quite apparent recommendations, which called for the sorts of changes that would not have permitted the kinds of tragic losses of life to occur that have been a part of our experience in this jurisdiction.

The thing I find most irritating is that it took a couple of fires in Las Vegas, which everybody saw on television, and of course the tragic loss of life at the Inn on the Park more recently, to activate the Solicitor General (Mr. McMurtry) to take the steps that culminated in the introduction of the bill.

I really feel it is a tragic loss of our responsibility that even though these clear recommendations came from coroner's juries in Paris and Hamilton—those are the two of which I have direct knowledge, whose transcripts have been provided to me—they were not followed up in

an effective way and we did not have the kind of fire inspection that would have avoided the loss of life which has occurred more recently.

No one can explain how the owners of these properties can permit the fire extinguishing system and the fire warning system to go out of service. They can be held responsible and culpable. But, of course, all of us are even more responsible in that we have a system that supposedly enforces inspection in such a way that owners of hotel properties cannot operate if they are not properly protecting the residents of their hotels.

There have been a number of questions in the House, as you are aware, Mr. Speaker, in which the Leader of the Opposition (Mr. Smith) and others have put the direct question to the ministers responsible. The present Minister of Consumer and Commercial Affairs (Mr. Walker), answering on May 4 of this year, just said, "The unlicensed hotels are not under the Hotel Fire Safety Act and that is the rationale" for the government's position.

In other words, the Hotel Fire Safety Act applies only to hotels that are licensed under the Liquor Licence Board of Ontario. So the inspectors who go in to see whether the dancing girls have their costumes properly arranged and that sort of thing are also the ones who are supposed to go and test the fire warning system and so on. It really is absolutely ludicrous and tragic, as we have seen in the light of these recent events.

The Minister of Revenue, who is always in his place and always prepared to participate in these debates, even though without sufficient knowledge to make his comments useful on all occasions, is in this instance right again. At least the bill is before the House now. It is simply a structure by which we enable the government to move forward through its proper agencies to establish a hotel fire safety code, which should surely be a substantial improvement.

The Solicitor General, who is not in his place but whose parliamentary assistant is here, has indicated publicly that it is his intention to tighten this up in such a way that the sorts of problems we have experienced in the past cannot occur again.

But, naturally, we have felt that our coroner's jury system was practically infallible, that the citizens would investigate the circumstances pertaining to local tragedies involving the loss of life and make recommendations that responsible governments of the day would then review and implement where their judgement felt these recommendations were proper. I would cer-

tainly say, in this instance, the Solicitors General over the years—it has not always been the present minister; it just seems that way—have had ample opportunity to improve our fire safety regulations and statutes. They have not seen fit to do so, and in some respects all of us can be held responsible for the very serious, in fact tragic, effects of those circumstances.

I know the bill itself is going to be sent to a committee so that members of the Legislature will have an opportunity, I trust, to have those who are versed and knowledgeable in these matters come in and talk to them about the direction this tightening up of fire safety regulations will take. I personally believe that even the publicity associated with that review will be helpful. We should certainly serve notice to all those people responsible for public premises, particularly hotels, that we will not stand for any laxness in this connection. If it involves closing up the premises while they come up to standard, then that is the way it must be.

It is interesting that after the fire at the Inn on the Park the fire inspection officers of Metropolitan Toronto visited most of the major hotels. There was certainly a good deal of scurrying around to see that fire warning systems and prevention systems were in operation. Normally one would expect that hotel facilities in a metropolitan area where there are large numbers of people using them would be in good shape, and I think in general that was found, in that they came up to the standards approved perhaps a decade ago. Unfortunately, we now know those standards are not good enough and that these matters are going to have to be substantially improved.

Perhaps just as serious are those older structures in the smaller communities of Ontario where the residents are fairly permanent. Often they are using the facilities as a permanent home and oftentimes the cost of such a residence is relatively low. Because of lack of sufficient revenue, the hotelkeepers feel they cannot come up to the standards we are demanding. We have to make it clear, naturally, that there can be no exceptions and that the kinds of tragedies I have brought to your attention, Mr. Speaker, will never again be repeated in this jurisdiction.

I close by condemning the government for its delay in bringing forward even this simple bill, because it is simply the bare outline of a structure that will give the various authorities under the jurisdiction of the Solicitor General the responsibility to expand and at the same

time make more restrictive in many ways the fire code that has in the past been so dangerously, fatally and tragically lax in this jurisdiction.

Mr. Breaugh: Mr. Speaker, I want to speak in support of this bill. I hope I am doing so on the clear understanding that the bill itself will go out to a committee, because I know there are a fairly large number of groups in the province who will want to speak to the specifics of this particular bill.

We have some reservations about it. In part, as the previous speaker said, it looks like a rather simple piece of legislation. In fact, it is a very complicated piece of legislation. One of my concerns is that much of the mechanics of the bill will be done by regulation. The provisions of the bill speak to that. That is an unfortunate principle, although there is a good side in that it allows the government of the day some flexibility to change regulations from time to time and in a bill of this nature, which is very complicated in the detail work, there is a necessity to keep that flexibility in the hands of the government so that it might be updated. It also means in this House we are left debating the principle of the bill in general terms, and I hope the arguments will occur when the bill goes out to committee.

We have also just completed the estimates of the Solicitor General, not very successfully, but they did eventually grind to a halt. On that occasion we had an opportunity to go at some length into the problems inherent in this piece of legislation, the reasons it is now before the House, and all the tragedies which have occurred in various municipalities in this province. Because we are exposed to the media from the American side, we are also influenced rather heavily by the tragedies that occur in the United States.

3:40 p.m.

One of the saddest things about this bill is the admission that by the time it is implemented almost a full decade will have gone by in the history of this province from the time when people first began to notice, usually through rather dramatic fires and the coroners' inquests that followed them, that there were severe problems in the multitude of building codes, regulations and inspection services.

It takes a long time in this province before one can get the government of Ontario to react to that. It does not seem to have the capacity to provide a ready response to something of that size. In part I suppose the very nature of the bill causes the problem. For example, in this instance it involves inspection by different ministries,

involves regulations set one way or another by municipal councils and by the province, and involves invading to a rather significant extent the realm of the corporate sector where profit is the motive and where profit does not always put safety in its proper perspective.

The bill does a lot of things. It does them in a number of ways. The tragedy I would pinpoint is simply that, from the time the need was first identified most clearly about 1974 to 1976—and of course the need was there prior to 1974—there were several major fires in different parts of the province. They were not in Metropolitan Toronto. Perhaps if those fires had occurred in downtown Toronto hotels where there were lots of media nearby so that lots of exposure would have come from that, this government would have responded in a slightly more expeditious manner. But they were not here. They happened in smaller municipalities.

There was the establishment of a fire code advisory committee in 1976 which, of course, worked its way through a couple of years of recommendations and discussions. In 1979 it was put into the Ontario Gazette and at that point municipal fire departments, municipal councils, people in different ministries began the process that is known around here as public comment.

There has been considerable discussion about the issue of all the specific regulations which may be set, about how retroactive they might be, about how these things might be inspected more thoroughly and about what precisely should be the nature of the changes that should occur. We have had that kind of in-house discussion.

At the same time, there has been reasonable notification to other municipal councils and fire departments in many parts of the province. We should also understand in many parts of the province there is neither the municipal organization nor the full-tilt professional fire department such as we might have in Metropolitan Toronto, but this fire code will apply across the province and in many different circumstances. We are trying to draft a fire code which makes sense in downtown Toronto with high-rise hotels and also makes sense in places like Shining Tree where there is not exactly the same sophisticated response from a firefighting agency.

It is a difficult problem. We feel if it does go to committee, there has been sufficient discussion to date, we have a good framework there, and the provision of putting it out to committee will allow those critical arguments that still have to be resolved to be done in sufficient manner.

I want to conclude by saying one of the principles I enunciated at the beginning holds true this afternoon. I am sure if there were a major hotel fire or a fire in a major apartment building in downtown Toronto, the minister himself would be on the scene promptly seeing what kind of media coverage he could get and attempting to explain to the people of this province that he is doing all he can. But this afternoon when the guts of the bill are before the House, when the nuts and bolts are here, the minister is nowhere to be found. That may point out something we should be aware of, that this bill is nowhere near the brink of being implemented.

In the course of the estimates we had an opportunity to pursue some other elements which are part and parcel of this Fire Marshals Act. It is fine to propose legislation that says there will be a much more sophisticated level of inspection, that there will be details as to how buildings are put up and for the gathering up of the firefighting equipment and all that. It is one thing to put it in legislative form. If one is talking about actually implementing that, one must have the resources to do so. It became clear in the course of the estimates that the ministry does not have those resources at hand. It is now in the process of trying to amalgamate from other ministries people who will do the inspection services, but it does not have the budgetary approval to implement a bill of this nature. In many parts of the province, particularly the northeast and northwest and most rural parts of Ontario, there will be a shift in the level of fire inspection services because there will be a concentration on the metropolitan areas. It will be a tragedy if that is the way this continues.

The minister was fairly frank in the committee. He said he does not always win his arguments about financing in the cabinet. What he is proposing this afternoon in this act to amend the Fire Marshals Act is a dramatic difference in the level of service provided to the people of this province on matters concerning fire safety.

Part and parcel of that is the mechanical work, how we build the buildings and how we regulate and inspect them. Part of it involves an indication of a very clear shift in priorities by the government. It deems those matters to be so important that it will give to them the financial resources necessary to do the job.

In a nutshell, we may have good legislation in front of us this afternoon and it may be eminently supportable in principle and mem-

bers should vote for it. I believe that is true, but if the government does not change its priorities; if it does not provide the staff to carry out inspection services; if it does not provide firefighting equipment in communities where they do not have it; if it does not move to co-ordinate the services that are currently provided by municipal fire departments and by the fire marshal's office itself in a more systematic and logical manner, the bill will be virtually useless.

The bill is worthwhile. The fact that it goes out to committee provides all those who are concerned the opportunity to reiterate those concerns and to resolve some of the conflicts that still remain. But it may not do anybody any good unless the minister is successful in convincing the cabinet and therefore the government of Ontario that there is a serious problem, which has been clearly identified in many parts of the province with matters respecting fire safety. They require some attention, not just when the television cameras are turned on, but on afternoons like this when the minister and his assistant are not even in their seats.

Mr. Haggerty: Mr. Speaker, I want to address myself to Bill 59, An Act to amend the Fire Marshals Act. In breezing through it, I wondered if it had sufficient teeth which the fire chiefs in Ontario are seeking. From reading it, I am afraid it does not give them the ammunition or the support they want to inspect many old and new buildings in our municipalities, nor do I know if the bill is going to remove the matter of conflicting jurisdiction that has taken place in the past.

I have a brother who is the deputy fire chief in the city of Port Colborne. He is concerned about the area of conflicting jurisdiction related to different institutions such as nursing homes in Ontario. Who should be doing fire inspections? Who should have the final say about the safety of a building based on modern building techniques?

I can recall a nursing home not far from Toronto where there was a number of deaths. The question of final inspection was raised in that case. Should it have been done by the Ministry of Consumer and Commercial Relations, the Ministry of Health or the fire department?

My colleague mentioned the problem of hotel inspections. I can recall a problem brought to my attention by the deputy fire chief and the fire chief of Port Colborne. A new hotel or motel was built in that city and carpeting was installed

across the floor and four or five feet up the walls. The man who was looking after the liquor licence asked the fire department to make the final inspection. This put the onus on the local fire department to say whether or not it was safe.

The fire department would not approve the building and there was turmoil for a couple of weeks. The liquor inspector said there was nothing wrong with it. However, carpeting material apparently has some fire resistance. I guess that means one can put a match to it and it will take a certain amount of time before it will spread. But that is on the floor. When it is put on the wall the fire resistance changes and it can go up in a mass of flames very quickly and spread fast. These are areas in which I hope this bill will provide fire prevention and safety.

3:50 p.m.

There were two youngsters fatally burned in a fire in Port Colborne not too long ago. They were in a rental unit. The inspectors of the fire marshal's office said if there had been smoke detectors in that building it could have saved those two lives. Yet there is nothing in this bill that says there should be smoke detectors in every older building and every rental unit.

Under the building code now if one is up three floors one must have them, but I think below three floors one does not require smoke detectors. This is the area in which this bill should put more enforcement, so that we will have regulations to give fire inspectors the opportunity to say, "We are not going to allow this to become a residential unit unless you meet certain requirements."

It makes reference here to the building code of 1974. In the sense I interpret it, anything before that is exempt. I do not think this should be the case. It should be according to the age of the building. If it does not meet fire standards today then it should not be permitted to be used for residential use.

They are more concerned now with going metric in fire departments than about fire prevention and safety. It has been pushed by the Solicitor General, who is in charge of the fire marshal's office. I suggest this is an area that will be very costly. I hope the province does not go metric all the way—changing the threads for the hose and pumper connections and so on. It is already standardized without going to the metric system.

But the bill does not say that it "shall." It says, "The Lieutenant Governor in Council may make such regulations as are considered advis-

able or necessary for the purpose of establishing a fire code for Ontario governing fire safety standards for buildings, other structures and premises including, but without limiting the generality of the foregoing, regulations." It gives about seven or eight there.

Then it says, under limitations of application: "The fire code does not apply to a building that is under construction within the meaning of the Building Code Act, 1974." It already says there is an exemption there. When a new building is going up, that is the time there should be proper inspection for fire purposes. One should not wait until the building has been put up to try to enforce some of the regulations, or hope to enforce them, when the code says "may."

This is long overdue. It has been discussed here in the House on a number of occasions by myself and other members concerned about fire safety in Ontario. I do not think the bill is strong enough to give the fire chiefs, the fire prevention officers and the fire inspectors of the different departments sufficient clout to bring about security for those living in apartment buildings and hotels or motels.

Another area of concern, as the previous speaker mentioned, is the cost involved. The cost of inspecting—say the inspection officers of small fire departments—will have to be picked up by somebody. I hope it would be by the minister responsible for it, and that we just do not pick out larger communities that can afford a full-time fire inspection officer. I think there is going to have to be an inspection officer from every fire company in every municipality. I suggest we should be looking for a means to help provide some assistance to these municipalities that may have difficulty in funding such a program.

I would not want to see that happen, that assistance would not be available to smaller municipalities, because then we are going to be faced with picking up a newspaper almost every day and seeing a fatality in a fire incident where, if they had the proper inspection, or could afford it, it would never have happened.

I suggest to the parliamentary assistant that the ministry should come forward and say there will be some assistance given to the smaller communities that cannot afford a full-time fire inspection officer. I am deeply concerned about this particular area, because it may be the downfall of this bill if there is not sufficient funding to carry out the intent. The intent is good as it relates to reducing the number of fire deaths in the province and fire prevention.

I think of the five firemen who lost their lives in the eastern part of the province not too long ago. I introduced a private member's bill a year ago, endorsed by all members of the committee, to set aside one day a year as a memorial day for firemen who have given their service and their lives to the community and to the province. I suggest that is an area that would not cost anything but would still give recognition to the firemen, both paid and volunteer, who really do a great job for the residents and people of Ontario. I suggest the parliamentary assistant and the Solicitor General should be moving in this particular area to set aside a memorial day for firemen who have sacrificed their lives for the safety of all residents of Ontario.

Mr. MacQuarrie: There is very little to say by way of reply, Mr. Speaker. As I understand it, the fire code as proposed will complement the building code. The building code, as the member knows, has extensive provisions in it which deal with fire safety and construction. The fire code will apply to buildings that were constructed outside the provisions of the building code; but in addition, the fire code will provide for inspection of all buildings.

Traditionally, fire departments—in fact, fire chiefs and departments with fire prevention divisions—have been named as assistants to the fire marshal, and any inspections they carried out—

Mr. Haggerty: They have that power now under section 19 of the act.

Mr. MacQuarrie: They were supposed to carry out inspections under section 19 of the act, and did, in fact, in most municipalities carry out such inspections. But they proceeded on a rather ad hoc basis depending on an individual's expertise and knowledge. What the code proposes is to make consistent the application of a uniform code across the province.

Motion agreed to.

Mr. MacQuarrie: I have been requested, Mr. Speaker, to take the bill through second reading. I am sure the Solicitor General would like to be in attendance when the bill is dealt with on third reading.

The Deputy Speaker: Which committee?

Mr. MacQuarrie: I think it should be referred to the committee of the whole House and would so move.

4 p.m.

Mr. Breagh: No. Mr. Speaker, you will excuse me, but it is my clear understanding that

this bill is moving outside to committee—I would think the justice committee, but I am not sure which one the House leaders have agreed to. I do not mind parliamentary assistants who have a little difficulty with it, but that is the clear understanding that was put to my caucus, and that is acceptable. To have it dealt with in committee of the whole House is not.

Mr. MacQuarrie: I would defer to the member for Oshawa and have the matter referred to the justice committee.

Ordered for standing committee on administration of justice.

GASOLINE TAX AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act.

Mr. Laughren: Mr. Speaker, the minister without many things, but in particular a portfolio, just interjected and suggested I was probably going to oppose this bill. As a matter of fact I am, but the members opposite should understand something. This bill has now been before the House for about two weeks, not in continual debate, but most of the two weeks set aside for legislation has been on this particular bill. If the members opposite think it is simply because of March 19 that this bill is being dragged out so long, or that it is a knee-jerk reaction to oppose a government bill that increases taxes, then they are sadly mistaken. That is not the reason, and they have missed the whole point of the debate coming from this side of the House.

The speakers from both opposition parties have put the message very clearly that it is the nature of the tax we are so opposed to, rather than the fact that it is simply an increase in tax. This government has turned the term *ad valorem* into a household word, and that is no minor accomplishment.

I know it is very nice to increase revenues in such a way, but there are other ways to increase revenues that the government seems to have overlooked. I will mention a couple of them in a few minutes. The government seems to think it has received a mandate to increase virtually every regressive tax that is in place, and to create some new ones.

The reason this bill has been debated for two weeks, and in a very thorough way, is that the opposition feel we have all been betrayed by this bill. The government has betrayed not just the

Legislature, but all the people of Ontario with this particular bill, using this particular kind of tax to increase tax revenues.

We all expected that after the election there would be tax increases. Post-election tax increases are a way of life not just in Ontario but elsewhere too, but this kind of tax increase is what has given us a sense of betrayal.

Secondly, the pronouncements of not only the Premier (Mr. Davis) but any number of cabinet ministers in the past couple of years would certainly have led any of us to believe that this kind of tax would not be imposed on gasoline in Ontario. That is why we have this sense of betrayal. The government members should understand this. I do not intend to repeat all the statements that were made by the Premier and by the cabinet ministers—that has been detailed very well by previous speakers—but cabinet minister after cabinet minister, including the Premier, has talked about the need to keep gasoline prices down because of what that does to industry in Ontario, what it does to inflation and what it does to job creation in the province.

We heard all these pronouncements over the last several years, by Ministers of Energy, the Premier and so forth, and then they come right in and do exactly the opposite of what they have been preaching. That is why we can quite accurately accuse the government of having betrayed what it was that it led people to believe would be forthcoming in the way of tax increases. On top of the fact that we in Ontario have the highest personal income taxes in Canada, it takes a lot of nerve to do this to us as well.

Hon. Mr. Sterling: Higher income tax than Quebec?

Mr. Laughren: Yes, Ontario has the highest level of personal taxes of any province in Canada. That is not even debatable as a matter of fact.

Hon. Mr. McCaffrey: Well, that ends that.

Mr. Laughren: That ends that, yes. Unless the member can show me otherwise, it ends that. By the way, when are the Conservative members going to speak on this bill? Are they waiting for us all to finish and then they will get up one after another well into the month of July and put forth their arguments for support of this bill?

Hon. Mr. McCaffrey: Yes.

Mr. Laughren: I have not heard a word, not a word. I do not understand that. It takes a lot for an economic and fiscal dinosaur like John Crosbie to get excited or upset, but this is what

he said when the Treasurer of Ontario brought in his budget: "It's a pretty grim concoction, and I can only commiserate with the people of Ontario."

Hon. Mr. McCaffrey: Who said that?

Mr. Laughren: That was John Crosbie, former federal Tory Minister of Finance.

I know there are some government members who would say that Crosbie was just getting even at the Premier and the Treasurer for their comments when he was the federal Minister of Finance, but I know better than that. I know John Crosbie is not at all partisan. He was looking at this budget as an economic and fiscal document and came to the conclusion that it was a grim concoction and that he should offer his commiserations to the people of Ontario.

I must say I have listened to the members quoting the different cabinet ministers and the Premier's statements about increasing gasoline prices and heaping abuse on either Ottawa or Alberta—and I hear them giving precise quotations—so I went back and I dug out the quotations too.

The member for Prince Edward-Lennox (Mr. J. A. Taylor) had a juicy quotation. The former Minister of Natural Resources, James Auld, had one. The Minister of Energy (Mr. Welch) had one. And, of course, the Premier had one as well. Those were all people who were heaping abuse on those who would increase the price of gas and oil.

We know now that those were simply crocodile tears and were designed to embarrass other governments. I guess there is no loyalty among thieves. What the Premier and the other cabinet ministers were doing was simply squeezing every political advantage they could out of everything that the federal government or the Alberta government was doing to increase the price of oil and gas.

I would like to hear the Premier, the Treasurer and the Minister of Energy now complain about anything that Alberta or Ottawa does concerning the price of oil and gas. They would be laughed out of the conference rooms, because Ottawa and Alberta would see that the Treasurer and the Premier, or whoever else is in the room, are talking out of both sides of their mouths.

Out of one side of their mouth they are condemning Ottawa and Alberta and crying for Ontario's industrial base, saying that this increase in the price of oil and gas is going to do damage to our competitiveness. That is what they are saying on one side of their mouth. On the other

side they are saying: "Stick it to us, Peter," and "Stick it to us, Mr. Lalonde. Every time you raise the price we are going to bemoan the fact but, nevertheless, we are going to be happy deep down because our revenues are going to go up substantially as well."

We could have used Madison Avenue to orchestrate this whole scenario. Once a year, the Treasurer and the Premier and the boys get together and stick it to the Ontario consumers. It is called budget night. This time they did it through an incredibly regressive, inflationary and extremely unfair tax; there is no doubting that at all.

In the long run, I believe the Treasurer and the Premier and the boys are really going to stick it to themselves as much as to anybody else, because they simply will no longer be able to argue with conviction when they are talking to Ottawa or Alberta about any of their policies dealing with oil and gas. They will simply not have conviction. If they pretend they do, as I said earlier, they will be laughed out of the room. There is very little doubt about that.

4:10 p.m.

People all over Ontario feel they were betrayed by the Treasurer with this bill. It certainly exacerbates the already serious increase in the price of fuel. If the Treasurer felt he had to have some substantial revenues, it is not as though there were no alternatives.

A couple of years ago he abolished the succession taxes on estates over \$300,000 in value; that is what he did. There were all those estates out there valued at \$300,000 to which the succession duty applied. He said, "It is not fair to those poor people," and he removed the succession duty completely from all estates over \$300,000. Revenues could have been obtained from there.

There could have been a one per cent increase in the corporation tax, and there could have been an end to the incredible number of tax expenditures, as they have come to be known now, that are really corporate tax write-offs; there could have been an end at least to some of them.

I have always wondered why municipalities and other public bodies are being told they should go to zero-base budgeting, where they start right at the beginning and every program must be justified to get money the next year—they cannot just build on to what is already there—while that does not apply to tax expendi-

tures in the private sector. Why do they not go back to zero-base budgeting when it comes to tax expenditures?

The Deputy Speaker (Mr. Cureatz): You are working your way back to the bill?

Mr. Laughren: You read me correctly, Mr. Speaker.

If there are revenues to be derived, then surely the gasoline tax is not the appropriate one to raise money. I was using zero-base budgeting of tax expenditures as an alternative to the gasoline tax for raising money. There are other methods—we have barely scratched the surface potential for resource revenues in the province—and yet we get this kind of bill.

When I was thinking about the bill and reading it over, the word that kept coming to me was “betrayal.” I say over and over again that we have been betrayed by the Treasurer and by the Premier who allowed this bill to come in.

I can imagine how the Conservative caucus was consulted on this. I am sure they were called in and told, “You know there are going to be some tax increases.” I can see them all nodding in unison over there. If they fail to nod in unison, somebody throws a fish in their direction and then they nod. Pretty soon there is unanimity in the back benches that there are going to be tax increases.

However, I do not believe for a minute that anybody was told there was going to be a gasoline tax increase of this nature or one so serious. But of all the people in Ontario who should feel betrayed by this increase, there are none more so than those in northern Ontario, where the price and the consumption of gasoline are both higher because of the distances.

I have done some very deep thinking, and it seems as though the more Conservatives there are in the north, the more the north gets the back of the hand. The more Tories are elected in northern Ontario, the less concern there is for northern Ontario.

I can remember 10 years ago, and in some of the intervening years, no budget would ever have been brought down, no throne speech would ever have been read without at least a nod to northern Ontario and some of the specific problems faced in the north. Now that has gone by the board. They have the number of members, I guess, they think are necessary to maintain their majority, and northern Ontario gets the back of the hand. It seems as though the more Tories there are in the north, the less gets done for northern Ontario.

I can think of all the studies that used to be announced for northern Ontario, the development strategies for northeastern and northwestern Ontario, the transportation studies and so on. There was even a fuel study done by Mr. Isbister. Also in the past, licence plate fees were reduced to \$10. It used to be that every budget had some reference to and something for northern Ontario. This one had something for northern Ontario too, but it was a substantial tax increase.

Now that this is being done and the north is being ignored so much, it is safe to say that the new Conservative members for the north will simply not last; they will not be around for very long. They are here because they raised people's expectations as to what a government party member could do for that particular part of northern Ontario.

We know that those expectations will never be realized when we see the kind of budget that was brought down this spring. So some of those members will get a rude awakening four years hence. The government will not back them up on the expectations they have raised; they simply cannot do it, and we have seen that already.

What is different about this latest crew is that they are not speaking out. This group is so docile, they are not saying anything. In the past, the northern Tory members were rebels; they spoke out. I can remember the member for Cochrane South (Mr. Pope) and other northern members yelling and screaming about a food terminal for Timmins and about other things.

I can remember the member for Algoma-Manitoulin (Mr. Lane) yelling about the price of gasoline. He had a private member's bill equalizing the wholesale price of gasoline in northern Ontario. What happened to that? His own colleagues blocked it.

There is very little doubt that northern Ontario has been had by this bill, and the Conservative members for the north will have to deal with that in the years to come. In my own riding the price of gasoline is substantially higher than it is in southern Ontario, and people are very unhappy. I can imagine the heat the Conservative members are feeling over there.

Hon. Mr. Ashe: Mr. Speaker, there is no doubt that during the last few days a lot of points have been raised by the—

Mr. Nixon: On a point of order, Mr. Speaker: My colleague was prepared to speak, and he is very anxious that he not miss an opportunity.

Hon. Mr. Ashe: Mr. Speaker, I have the floor.

Mr. Nixon: My colleague has been waiting patiently to join in this debate.

Hon. Mr. Ashe: Mr. Speaker, I have not relinquished the floor.

Mr. Nixon: Mr. Speaker, I am up on a point of order, and that precedes what the minister is talking about. You will have to make a ruling, sir, and I ask you to do so.

Hon. Mr. Ashe: Mr. Speaker will have to recognize your point of order first. I duly waited, Mr. Speaker. Nobody else rose, and I rose in my place and was duly recognized.

The Deputy Speaker: On the point of order, Mr. Ashe: In following the standing orders, technically I should have asked if any further members would like to participate in the debate. I did not ask that question.

Are there any other members who would like to participate in the debate on Bill 72?

Hon. Mr. Ashe: Mr. Speaker, with all due respect, on the point of order I hope you will check back to the actual proceedings that led to this situation. I think you will find that there was ample time for any honourable member who wished to continue speaking on this issue to rise.

I did not immediately bounce to my feet, anticipating—maybe with great finality—that we were reaching the end. Always recognizing the prerogative of the chair to make a ruling, I will abide by it accordingly, though I am not quite sure the record will show that the circumstances were as described by the member for Brant-Oxford-Norfolk (Mr. Nixon) and deemed to be in order by you.

The Deputy Speaker: Thank you, Mr. Ashe. In recognition of earlier proceedings during question period, where the Speaker was advised to adhere strictly to the standing orders, I think it is only appropriate that as Deputy Speaker I try to run the House according to the standing orders.

4:20 p.m.

Mr. McGuigan: Mr. Speaker, I apologize to the member. It was my understanding that another of our speakers was in turn. However, that person is not here. I failed to jump up soon enough. I am sorry for the inconvenience.

I am pleased to take part in this debate regarding Bill 72, An Act to amend the Gasoline Tax Act, 1973. Like my colleagues on this side

of the House, I am opposed to this bill. Before proceeding with my opposition to the bill, I wish to point out the significance of the date in the title of this bill.

The year 1973 is mentioned because it is when the previous act was passed. Nineteen seventy-three really has nothing to do with the government in power at the time or the particular phase of the constellation of that time, but it does mark the year that our world economy and our history changed.

One would probably have to skip back over the years 1939 to 1945, the period of the Second World War, to find a period in our history as significant. I do not pass over the war years lightly. That time would be July 1929, when the first shock wave started in the stock market of the day. July was just a tremor of what was to happen later, on Friday, September 13, 1929.

From then until the low point was reached in 1933, it was all downhill. Those hard economic times persisted until the early 1940's when under the forced draught of war the world's economic fires were rekindled and we began the almost uninterrupted economic good times that the new generation enjoyed until 1973.

I did not lightly skip over 1939 to 1945, a time when 20 million people suffered death all over the western world and millions more experienced untold agony, inhumanity and suffering. The year 1929 set the stage for the Second World War. The breakdown of the economic system and the impoverishment of nations and individuals set the stage for leaders who said: "Follow me. No matter where I lead, you cannot be any worse."

As a background to our dependence upon petroleum, I want to read an introduction to a 50th anniversary issue of *Business Week* magazine. The particular issue concerns the Depression brought about in 1929. This leads up to it:

"In retrospect, 1929 was the watershed year of the twentieth century, the start of the great Depression which swept away all that had gone before and which forever changed the economic face of not only America, but the world. But in 1979, only a half century later—"—just as an aside, we have had a history going back for centuries showing that we have a depression approximately every 50 years—"in the twinkling of an eye, as history goes, the world seems poised to change again.

"The post-Depression economic mechanism which fostered great growth also set an inflationary fire that no one knows how to put out. Balanced against the government intervention

in everyday life that the Depression brought on is the growing demand for less intrusive government. The success of the Organization of Petroleum Exporting Countries has broken up the well-ordered industrial world and forced every nation to fight for economic life for costly and scarce energy."

The world could change as completely between 1979 and 2029 as it did between 1929 and 1979. To understand what comes next, it is first necessary to understand what has gone before. That is why I am going over some of this history, because the things we are dealing with in this gasoline tax bill are very important to the future of this country.

I am one of the older members of our caucus. I have very vivid memories of the Depression and what it did to people in those terrible years. I am probably on this side of the House rather than the other side, because of the lack of measures taken in those days to bring us out of the terrible time.

It began with the crash on Black Tuesday, October 29, 1929, when the United States stock market collapsed in the worst market break in history. In dollar terms, the 1973-74 bear market cost investors more money. In percentage terms and psychological impact, the 1929 collapse was worse.

I have some interesting figures here. By 1932, the index of stock prices had fallen to 30 from the 1920 high of 210. Commodity prices, including gold, had dropped 40 per cent. Industrial production had shrunk 50 per cent. Imagine a drop of 50 per cent in production. International trade had slipped 30 per cent, and the International Labour Organization—

The Acting Speaker (Mr. Cousens): Mr. McGuigan, does this pertain to Bill 72?

Mr. McGuigan: Yes, it does.

The Acting Speaker: Would you please draw that out?

Mr. McGuigan: I wish to point out how we have built up a dependence on petroleum and the events that have taken place since that date. Perhaps I can read a little more quickly if it suits you, Mr. Speaker.

The Acting Speaker: I am just interested in seeing that it does pertain to the bill at hand.

Mr. McGuigan: I think you will agree, as I go along, that it does. Many of the comments

already made here have required careful listening and one had to wait until the end to discover—

Hon. Mr. Elgie: With a certain degree of anticipation.

Mr. McGuigan: I am sure the member is listening to every word.

Mr. Roy: On a point of order, Mr. Speaker: You are questioning my colleague about the relevance of his statement. You will understand that the bill under discussion is the percentage tax on the cost of oil. My colleague is talking about how the cost of oil is steadily increasing.

The Acting Speaker: That point of order is not accepted.

Mr. Stokes: Can't he speak for himself?

Mr. Roy: It was a point of order. I was just pointing out that I thought my colleague—

The Acting Speaker: Order. Mr. McGuigan, you have the floor.

Mr. McGuigan: It is very interesting to note that during today's question period the members opposite were quite subdued and very different in character than they were for the last few days. Perhaps they have forgotten the lesson they learned the other day. It shows how soon that arrogance returns. It is a disease we cannot seem to fight.

The Acting Speaker: Carry on, Mr. McGuigan, on Bill 72.

Mr. McGuigan: I was talking about 1929. With the help of my colleague, who has explained the reasons for my background material, I will go on with the main body of what I have to say.

Mr. Stokes: Help? I thought he interrupted you.

Mr. McGuigan: No, he was helping. Surely the former Speaker can contain himself.

Mr. Stokes: I'm trying to help you and protect you from your friends.

Mr. McGuigan: He is one of the members I respect most highly, and I appreciate his help.

The Acting Speaker: Carry on, Mr. McGuigan. You have the floor.

4:30 p.m.

Mr. McGuigan: Let us return for a minute to the technical side of the 1939-45 war. Governments on both sides corrected an error they had made in 1914-18; that is, taking their students and scientists out of the universities, their laboratories, the mines and the forests and putting them into the front-line trenches. The case used as a great example was the atomic

scientist in Britain who was on the verge of discovering the secrets of the atom in the early part of the First World War. He was taken out, put into the front lines and was killed on his first day in action.

The governments adopted a system of selective service. They kept a corps of scientists to develop the great amounts of basic research that were accumulated between the two great wars, research that eventually led to the splitting of the atom and the war coming to an end in a blinding flash over the cities of Hiroshima and Nagasaki in 1945.

That research, put to peaceful purposes, has brought us to the threshold of a period when we believe the power of the atom will solve at least part of our energy needs. As far-reaching as these developments have been, the most immediate effect of the Second World War was to change the whole concept of war by using the energy of petroleum to make war into a mobile war of machines in the air, on the land and on the sea. We also came to recognize that, through the miracles of science and engineering, we could revert to petroleum power rather than muscle power.

We came to recognize two principles of engineering: that harnessing the power of gasoline and fuel could replace muscle power, and that machines built to do a job without much reference to their cost were in the final analysis the most economical.

Prior to 1939, most machines were built to sell at a certain price because the belief was that consumers would only pay a certain amount. As an example, most farm tractors in that day were about 25 to 30 horsepower and it was thought farmers would not pay more than say \$1,000 for a tractor. But it was discovered there were great economies in going to larger machines. In fact, the largest experimental farm tractor now is 800 horsepower.

Through those engineering changes and changing attitudes, we became very dependent upon petroleum as our source of energy. My point is that we raised our material, if not our spiritual, standard of living many times in one generation. Simply by using the abundant petroleum resources we were able to reduce the percentage of our population producing food from a third of the population when I was a youth to just under four per cent of the population.

Think of it. The basic needs of man are shelter, clothing and food. Up until fairly recently in man's history it took 100 per cent of the time to satisfy these needs. Today the basic

food component is four per cent and it is rapidly falling. If one does not think it is falling, he should just ask some of those young farmers. Also there are some old farmers who are going bankrupt. In economic terms they are being declared surplus. As an aside, this government so far has been prepared to watch them being declared surplus. We hope the Treasurer will have some announcement in a day or two.

I know members will say the fuel costs for farmers are rebated. But the rebate, unless one changes it, is a specific rebate; it is not an *ad valorem* rebate. Even if they correct this situation, they are introducing a great many indirect costs. Manufacturing and delivery costs of the input and output of the farm will rise on an exponential growth curve. I want to add a new term. We have heard a great deal about "*ad valorem*;" I thought I would bring in the word "*exponential*."

The adverse effects will impinge even more harshly on small business people who rely on a mobile population to patronize their businesses. Tourist operators, hotels, motels, sports facilities, marinas, camp operators and related industries will all suffer from a reduced flow of customers.

While the honourable members might think of my riding of Kent-Elgin as an agricultural area—and it is; I believe it has the greatest dollar volume of any county in Ontario—they would be only partly correct. Lake Erie and to a lesser extent the Thames River provide a great deal of recreational activity. Many people know Rondeau Bay as a great sports fishing ground. The lake is the greatest inland fishery in the world.

The products of that fishery are shipped exclusively by trucks—trucks that are now fuelled with gas or diesel fuel that is taxed in an exponential or *ad valorem* manner. I happen to live on Highway 3, where a great deal of this produce, both agricultural and from the fishery, travels to the markets of Ontario and the world. I am very familiar with the amount of truck traffic carrying those products.

My riding has thousands of workers who report daily to parts plants in Tilbury, Blenheim and Ridgetown. Speaking of Ridgetown, I was grateful that my opponent in the 1977 election visited one of the parts plants just a few hours before I did. The workers there were quick to notice that he was driving a foreign car. I was quite amazed, coming from an agricultural background as I do, to find the number of parts plants that are in my riding. When you stop and

analyse it, it is 60 to 70 miles from the great assembly plants in Windsor and also is on Highway 401, giving it a direct line to Oshawa and to the other assembly plants. There are parts plants in Bothwell, Thamesville and Dresden.

There are no parts plants in the towns in the Elgin part of Kent-Elgin, but there are wood-working plants in West Lorne. These plants have reversed the traditional flow of raw materials going from Canada to the United States to be turned into manufactured goods and returned. They import oak logs—I believe they come from Pennsylvania—and in West Lorne they are turned into flooring and stair treads and shipped back to the US. That all goes by truck. This tax is going to impinge adversely on that and raise the costs.

Just running through the names of my riding brings to mind the Premier's four visits to the riding during the recent election. I was favoured to be the host for the Premier and many of his cabinet colleagues during this election. My only regret is that he did not visit every town, for in each of the four towns he visited I gained a few votes and in those he failed to visit I unfortunately lost a few votes. For the next election I issue an invitation to him now to visit all those towns and villages.

I want to draw the House's attention once more to the title of this bill: Bill 72, An Act to amend the Gasoline Tax Act, 1973. That was the year of the Arab-Israeli war. The Israelis, of course, won ground in the air and sea action and enlarged the land area of their tiny country. The Arabs lost land, prestige and many lives, but they won a perhaps undreamed-of lesson in economic muscle. That was due to the interruption in the flow of oil to the industrialized countries.

When I was a student, our professors told us there was no such thing as a monopoly, that there was always a substitute for whatever material you might try to control. That may be correct in a historical, long-range view, but I think we have come to understand that those who control the oil really do have a monopolistic hold on the rest of us. If we are to free ourselves, and in fact we must free ourselves if mankind is to enjoy a decent standard of living in the next century and beyond, the truth is that for the next generation, or two or three, the cartel that controls the price and movement of oil does have a monopoly power.

4:40 p.m.

We may, in the years to come, develop hydrogen as a fuel. We may develop a practical storage battery. We may develop systems that are only being dreamed of at the moment, developed by scientists working in the most advanced facilities in the world, or discovered by some lonely genius working in his basement shop. The fact remains, Mr. Speaker, that when the clock reaches 10:30, and you return to your office to clear up the telephone calls you no doubt have, as we do, and you decide to go home, you are almost certain to make the trip in a gasoline or diesel powered vehicle. If you are a farmer, and return to your farm this weekend, you may decide to go out and do some field work. Most likely you will do that on a tractor or some other vehicle that is powered by petroleum. If you decide to spread some fertilizer or spray your crops with some sort of a pesticide, you are going to be using a product of the petroleum industry. The one that is most notably tied to petroleum is nitrogen, where the hydrogen ion is part of the chemical compound and the cost of those fertilizers is directly tied to the cost of fuel.

Last summer, while travelling with the select committee on Ontario Hydro affairs, we visited Elliot Lake and I had my first experience of descending into a mine. I can understand now some of the experiences we are often told about by our members on the left. It seemed almost ironic that the huge underground drilling and transporting machines in a uranium mine—which is to provide the fuel for a nuclear industry—are powered by diesel. There are certain things about the engineering qualities of the machines and the fuel that make it the best fuel for the purpose.

The truth is that the Organization of Petroleum Exporting Countries has a monopoly on the price and the allocation of petroleum supplies. Some substitutions can be made. We could go back to the coal-fired steam locomotive. It was my experience some 16 years ago to travel on the railroads in China. It was quite a revelation to see these coal-fired steam engines still being used in China. I do not think we encountered one diesel locomotive.

It would take us about 50 years to make the conversion, to produce all these new machines, open new mines and so on. We could go back to an animal agriculture, I suppose, but that would take another 50 years to breed the horses and the stock to do the job. It would take an estimated 20 to 25 per cent of our land area to feed these animals, and that would mean

starvation in other lands. We would have to abandon air travel completely. There is no substitute for petroleum.

Mr. Haggerty: The member for Lincoln (Mr. Andrewes) should listen to those facts. He would learn something.

Mr. Andrewes: I have not heard anything yet.

Mr. McGuigan: I thought the member for Lincoln, being a farmer, would appreciate these things. I know he is listening with great—

Mr. Andrewes: I do not know what the relevancy is.

Mr. Ruston: He is going to be in the front row by the fall. He will be taking over from the Minister of Agriculture and Food (Mr. Henderson) before the Christmas break.

Mr. McGuigan: I would certainly welcome him as a horticulturalist myself. As the member is a horticulturalist, if that took place, I would be the first to congratulate him.

There is no substitute for petroleum, a lightweight fuel that carries a tremendous wallop of power and burns it in a lightweight engine. All other fuels are heavy and it takes heavy engines to use them. Even hydrogen, which is a light fuel, has to be contained in a very heavy vessel so that rules it out for air travel.

While 1973 will be looked upon by future generations as the beginning of a financial bust for the western world, a somewhat risky prophecy, one can easily forecast that it will be looked upon as a turning point in world history. If we go back just one year, to 1972, we come to another milestone. That will be remembered as the year the USSR pulled off the heist of the century, the great grain robbery. While it is popular to berate the Soviet agricultural system for its inefficiency, the fact remains that most of the Soviet grain producing lands are north of the 49th parallel and the best of these lands compare to the worst of the US grain lands, that is the state of North Dakota. North Dakota is the the worst in the United States, which of course is the number one producer in the world.

While we recognize that the Soviet system is not the best and does not encourage production, since it does not give returns to the producer, nevertheless, not all of the blame for their problem should be laid on their system. Part of the problem is their climate. Prior to 1972, that regime met grain shortages by killing off its livestock population, a sort of cannibalism. By eating the animals they provided food for their people and ended the need for the coarse grains. Then came a long period of

rebuilding—it took many years to build up the grain stocks and many years to build up the animal stocks again.

Those people who live in a country that was able in 1959 to put up the Sputnik, were no longer willing to put up with that sort of a boom-and-bust cycle in their food supplies. We know the results. We now have high priced grain, high priced land and some would say high priced food. We need to sell the grain to Russia and China and some 30 other countries to buy oil from the OPEC countries to produce more food to sell to our growing list of customers. We must sell the food in order to get the foreign exchange to pay for the foreign oil. So one can see what sort of a treadmill we are on in that respect.

Mr. Speaker, you have been patient, but you might wonder what all the background has to do with the government's exponential sales tax. You have been very good, I commend you for it, but it is simply this: The government of this province has failed to read the signals, failed to listen to a warning that was given by Dr. Hubbert in the United States. In 1956, Dr. Hubbert laid out the whole scenario of what was going to happen in the oil business. This man was speaking in San Antonio, Texas, and playing host to about 500 petroleum engineers in town to attend a three-day meeting of the production division, southern district of the American Petroleum Institute.

There was nothing of special significance expected to come from this three-day meeting, which began on Wednesday, March 7, 1956. The first speaker of the morning was expected to give broadbrush extravagant figures saying the United States would just never run out of oil. Petroleum geologists, engineers and corporate officials all shared an intuitive judgement that went something like this: "We have been in the oil business in this country now for almost 100 years. We have made a lot of money, had a lot of fun and the future looks just great."

Mr. Nixon: Sounds like Rockefeller.

Mr. McGuigan: That's right. The meeting got under way quite close to schedule. The first speaker was introduced. His name was Dr. Hubbert, a native of Texas who had taught at a number of universities and who had for the last 13 years worked as a geologist with Shell Oil of Houston. He was 52 at the time. He was not a big, imposing man in size or appearance and not the kind of forceful speaker who brought an

audience to a fever pitch. He was addressed as Dr. Hubbert because he was a holder of several degrees and was a true man of science.

4:50 p.m.

He committed heresy on the platform right in front of their eyes. Contrary to the unwritten but well-established rules of conduct for petroleum industry figures, he started to point out to his audience that American petroleum reserves were not as vast as they had always been assumed to be and that American oil production could be expected to reach its peak in another 10 to 15 years—remember, that period is behind us—and then drop down each year on its way to depletion.

He committed another unpardonable sin by reminding his audience that the US was already importing oil equal to about 20 per cent. That is now about 50 per cent for the United States. He went on to document the Hubbert curve to show that most of the oil in North America had already been discovered and that we were on the declining side of a bell curve.

Dr. Hubbert and others warned us and failed until recently in trying to lead us out of our petroleum predicament. The government failed to act sooner to get us off oil. Not only the American and Canadian governments but the Ontario government as well bears some responsibility. One of the reasons, no doubt, has been the fuel taxing policies, the fact the government saw fuel taxes not as a just way, but as a painless way to extract money.

It has been easy to tax transportation fuel because the public has shown a willingness to buy these products. It has shown a willingness to use its discretionary purchasing power in this manner. By taxing fuel in ever-increasing amounts, and now in an exponential fashion, the signal is sent out that we should continue to use this diminishing resource until it is all gone. If the decision had been made to tie transportation taxes to a fund to be used to develop alternative fuels or to develop intracity and intercity transit, one might at least be persuaded it is a necessary evil.

I know it is not a good example, but I refer members to the creation of a highway transportation fund in the United States which has resulted in fuel taxes being used to build the best highway system in the world. Perhaps that is an example of a wrong use, but it does point out that certain funds are earmarked to be used for another purpose.

That country now is importing a full 50 per cent of its petroleum versus our 20 per cent and

that has got it into a lot of trouble. That money might have been put to better use in building railways.

Last weekend I visited a constituent who has his home next to a US railway. There are several that run through southern Ontario from Detroit to, I guess, the riding of the member for Erie (Mr. Haggerty). This one is used almost exclusively for freight. Freight trains travel at a lower speed than passenger trains and do not require quite as good a roadbed. Still, looking at this roadbed, it was rather enlightening to see the ties were split and splintering and to see the spikes were coming out.

As a matter of fact, there were spikes that had been pulled all the way out of the ties. They lay at the side of the tracks. There were bolts that connected the rails to each other that had had the nuts come off and were held there by the grace of God, I guess. I remember reading a piece about the state of US railroads and the engineer who passed over one particularly bad stretch that was restricted to 10 miles an hour said he could always tell when the train jumped the track. That was when the train started to run smoothly.

The government is not using the exponential growth in fuel taxes to solve our petroleum predicament; it is using the money to finance the extravagance of land banking, government advertising, even overbuilding energy plants beyond our ability to deliver and use the product. Our gas tax money is even being used to build reactors that our party has suspected for a long time are ultimately being built to supply electricity for export, a charge the government categorically denied. In the new intoxication such as has not been experienced since 1971—and some government members have never had the feeling before—the first lessons in educating the public to accept reactor plants for export power are being introduced. Some of the money taken in by this exponential tax system is being used to finance that.

The government is sending another signal to the oil industry: there is no limit to the expenditures that can be directed towards petroleum exploration and extraction. I remember a political cartoon two or three years ago showing an agonized planet being twisted like a sponge while the last drop of oil was being squeezed out. The government is sending a signal that it approves of that. Transportation fuel has been added to the list of “sin taxes.” The message is that it is okay to sin provided the

government gets its cut and on an exponential escalating curve at that—or, as some have said, by an incremental curve.

I have outlined some of the background of my opposition to the principle of an ad valorem or exponential tax. To realize the pyramiding effect of an exponential tax, I want to give a few examples. These admittedly use a 100 per cent rate rather than a 20 per cent rate, but they illustrate the dangers of such a system.

Money put into the bank at seven per cent compound interest will double in 10 years. A system of exponential growth is one in which the entire system grows by a certain amount each year, such as the money example above. To get the doubling time in years you simply divide the number 70 by the rate of annual growth. Thus a five per cent compound interest rate—something from the past—would double your accounts in 14 years.

Those who remember the chain letters recall that one would simply ask two friends to join the scheme and then each of those would ask two friends and so on. That is doubling each time. Just 28 doublings would exceed the present population of the United States. In 32 doublings one would exceed the four billion population of the world. Yet in starting a chain letter one thinks only of finding 28 people to take the letter.

There is an interesting story about a Persian king who was fascinated by the game of chess. One of his court attendants brought the king a present of a beautifully hand-carved ebony chess board inlaid with mother-of-pearl, gold and precious stones. The king was delighted. "What can I give you to show my appreciation?" The answer was, "A few grains of wheat, Your Majesty—just one grain for the first square on the board, two grains for second square, four grains for the third square and so forth."

The king was delighted to get out of his obligation so easily. But when it came to the nineteenth square they found it took just a little over half a million grains of wheat, and soon his storehouse was empty. He called his wise man to ask him to work this out; next he called for his servant and had him done away with. They found that 64 doublings would require the entire world's annual wheat crop for the next 2,000 years to fill the board. Of course, that was in terms of the wheat crop back in those Persian times. It is just to illustrate how you multiply things when you use that type of system.

5 p.m.

Our petroleum predicament goes much deeper than the exponential tax policies of this government. The import of this predicament is that the steep upward climb is inevitable if we are to believe that the past history of petroleum prices will continue. As I have previously pointed out, our dependence on petroleum and the finite character of petroleum supplies guarantee that the price of crude oil, and therefore the price of refinery products, will continue to rise. Every member knows about the price rise by the federal edict of \$4.50 a year for the next three years on the price of crude.

This present government, entrusted with the wellbeing of the people of Ontario for the past 38 years, must shoulder its share of the blame for our petroleum predicament. One can say in good conscience that, as the government of a province that has to import 99 per cent of its oil, the government should have been concerned. We in the western world were warned, and I have already told the members about that. To sum up—

Hon. Mr. McCaffrey: Oh, come on.

Mr. McGuigan: I have lots more. Does the member want to listen to it?

Hon. Mr. McCaffrey: I thought the member was rather weak on the Spanish Civil War.

Mr. McGuigan: To sum up, this government has really not sent out the proper signal: that we need to conserve our supplies, because for the next generation or two we need those supplies to bridge the gap between petroleum and the great future we have in nuclear energy, in solar energy, in alternative fuels and perhaps in elements not yet discovered—although I think we would base it on present knowledge, because there is so much available on which we must build.

The government is sending out the wrong signal to everyone when it sends out a signal that the government is quite content to raise more and more money on an exponential ad valorem system to finance all sorts of activities unrelated to energy production, energy conservation and discovering new ways of guaranteeing our supplies for the future. I do not believe in that signal; I do not think it is responsible.

Another aspect is that it relieves the government of the necessity of coming to this chamber each year or two as the need arises to justify its case, to bring to the attention of the public the petroleum situation of the time—our need to conserve or, if some great discovery has been made, our freedom not to conserve.

It is possible that we might suddenly discover some new source of oil, but I rather doubt that, because one would have to believe that there is still some great discovery to be made out there, that we drilled in all the hardest places first. I could go on with Dr. Hubbert, who shows in a graph giving the amount of oil discovered according to the number of feet drilled since the first well in Titusville, Pennsylvania, in 1859—our people here in the Minister of Agriculture and Food's riding dispute that; they say the first well was drilled at Oil Springs two years earlier—that through the years our drilling has produced less and less oil for a given amount of drilling.

We are now going off into the worst reaches and the most inhospitable parts of the world to try to discover that oil, and it only becomes more and more costly. As it becomes more and more costly this government's take becomes greater and greater, and it continues to send that same signal, "Keep using it; that is fine, because we profit from it." It becomes a very easy way of collecting money. I think I sometimes agree with my friends to the left of me that by far a more equitable way of raising money is by the income tax rate.

Hon. Mr. Ashe: The member is going to support the income tax bill, then?

Mr. McGuigan: I might just do that. We will take a look at it.

I believe, as do many members here, that a far more just way of raising taxes is not to attack an essential element such as this and send the wrong signal out to the users.

I see our other speaker is here. Mr. Speaker, I thank you for your intense interest. You have listened to the great pearls of wisdom on history that have descended from my lips. I await your applause.

The Acting Speaker: Is there any other honourable member who wishes to participate in this debate?

Hon. Mr. Ashe: On a point of order, Mr. Speaker: When your predecessor, the Deputy Speaker, was in the chair, I was on my feet and had commenced the windup of the debate on second reading. However, it was drawn to our attention that at that time there was one more honourable member, namely, the member for Kent-Elgin (Mr. McGuigan), who had some points to offer. I relinquished the floor to him, but it was not on the basis that there was more than one member to be recognized.

On that basis, I assume that I have now

resumed my place on the floor and can sum up and close the debate on second reading of this bill. I await your ruling.

The Acting Speaker: The chair will give the opportunity to speak to any other member before the final speaker. Are there any other honourable members who wish to speak to this bill? I recognize Mr. Breaugh.

Hon. Mr. Ashe: Mr. Speaker, on a point of order—

The Acting Speaker: Mr. Ashe, in standing order 55, this is the regulation.

Hon. Mr. Ashe: Mr. Speaker, were you aware of the discussion with your predecessor in the chair?

The Acting Speaker: What is your point of order, Mr. Ashe?

Hon. Mr. Ashe: The point of order is that I think the issue was made at the time I was on my feet and had started to speak. It was not just a matter of jumping up; I had actually started to sum up the debate, as I think Hansard will show. When an additional member indicated he wanted to speak, I relinquished the floor to that honourable member. I think it was understood at the time, at least by myself, that it was to be only one honourable member.

Mr. Nixon: You are wasting time.

Hon. Mr. Ashe: We might as well waste some of it; those members do it all the time.

The Acting Speaker: Mr. Ashe, I am going to give the opportunity to any other member who wishes to speak to Bill 82 before I give you the final opportunity to speak.

Mr. Wildman: A very equitable ruling.

Hon. Mr. Ashe: And you say the Speakers are on our side.

Mr. Treleaven: This is the third time he's spoken.

The Acting Speaker: Order. The member for Oshawa has the floor.

Mr. Breaugh: I am trying to get the floor, Mr. Speaker, but there is so much disorder on the opposite side that it is difficult. I am a little ashamed to see them over there. Even some who should know better are challenging your ruling.

Mr. Williams: Mr. Speaker, I thought the member for Oshawa had spoken on this bill earlier in the session.

The Acting Speaker: Has he spoken?

Mr. Stokes: He wouldn't have been recognized if he had.

The Acting Speaker: He has not spoken, Mr. Williams. Mr. Breaugh has the floor.

Mr. Wildman: We understand the rules; the members opposite do not.

Mr. Breagh: I see they are trying everything to shut down the opposition members. It is closure once again in a different form. If the members are so anxious to say something, why do they not pop up? They are allowed to speak to these bills also.

Mr. Rotenberg: This is your leadership speech.

Mr. Breagh: Not with the member for Wilson Heights around, it would not be.

Mr. Williams: I thought you had spoken the other day.

Mr. Breagh: Are you sure? The member should write these things down.

The Acting Speaker: Mr. Breagh has the floor. Carry on.

Mr. Breagh: Mr. Speaker, I want to speak in opposition to this bill. I think it is an interesting exercise. A year ago I had the opportunity to use some remarks made by the Treasurer (Mr. F. S. Miller) in this House about how substantially increased energy costs would "rip the guts out of the industrial sector of the province of Ontario." That speech was made here by the Treasurer, who went on to list that there would be 20,000 jobs lost in our industrial sector, that there would be severe damage done to it—all the rather eloquent package put together by the Treasurer at that time was used extensively in the federal election campaign.

5:10 p.m.

The gist of the argument is precisely to the principle of this bill. The gist of the argument was very straightforward. It said simply that if governments across the country—and in that instance the Treasurer was making reference to a federal Tory budget—wanted to move in the energy field to increase their price of energy by any means, either at the wellhead or through their taxation or distribution system, whatever the reason for the increase, if the end effect of that was to alter substantially and escalate the price of petroleum products in this country, it would have disastrous effects on the industrial heartland of Ontario.

I find it amusing that the Treasurer and the Premier had such strong views about escalating energy prices less than a year ago and did something rather abnormal by standing in the House and making a statement directly contrary to their federal counterparts.

There was a federal budget at that time which addressed itself to energy costs. The Premier and his Treasurer held a pitched battle here. They made a concise and well-put-together

argument, coming directly to the point of this bill: If there were a dramatic and sudden upsurge in the cost of gasoline to our consumers and to our industrial sector, we would suffer tremendous damage.

It must have been a very convincing argument, because I heard people in almost all political parties using it. I heard provincial Tories using that speech and all those statistics. I heard federal Liberals using it. I heard New Democrats using it. It seemed to us that we had, the three of us, all arrived at a consensus that, if energy prices were boosted in this province, it would have disastrous effects.

So I was surprised when I came in on budget night and saw the same Treasurer of Ontario—it is true he had switched from his little plaid jacket to a slightly plainer jacket—on that particular evening proposing to get in on the act himself. He did not talk a great deal about how many jobs we are going to lose, and he did not talk about the devastating effect that increasing energy prices would have on the people. He does not seem to care that we are now going to lose the 20,000 jobs he fought so hard for last year just before the provincial election. He now seems to think that is okay: "Never mind, give us a piece of the pie."

The ingenious little device they have stuck on to this is the automatic escalator clause. When he and the Premier sit down with all the important people from Alberta and Mr. Lalonde and argue about what would be a rational way to deal with energy prices and price increases across the country, the Treasurer of Ontario has made it nice and clear. He has made a neat little change in position. He has done a little flip and a flop to boot. He has decided he is no longer there to defend the consumers and the industrial sector; he is there with his hand out, collecting at the till. As the tax escalates automatically, he is happy because he has his chunk of the action. He does not own an oil well, he does not really sell it at the pumps; all he has is a collection agent out there grabbing in the money.

Mr. Wildman: His name is Ashe.

Mr. Breagh: Yes, as a matter of fact, it is. I find it amazing that in the short period of a year the government of Ontario could so dramatically change its position. I remember those arguments. They were good ones; they were valid. Those statistics were pretty tough.

I saw Ontario fighting the good fight to save some parts of its industrial sector, to save some jobs. I saw it fighting for consumers. I thought it

was a little unusual, but why not? Anybody can join in the battle. We have fellow travellers all over the place. We will even take them from that side of the House.

I thought it was dramatic; it was good stuff. If the government was finally showing a little guts and running against the federal Tories, what was wrong with that? Surely, in Canadian politics today, we ought to have some room for dissent, even within the Tories, and even to allow that to happen publicly between the Premier, the Treasurer and Mr. Joe Clark for that short period of time when he was the federal Tory Prime Minister.

That is all right. Here was a group of people who at least had the guts to stand up and fight, to tell it like it was; to say exactly what happens when one escalates those energy prices; to put in one nice, concise speech just how dramatically all this great grabbing at the gas pumps has a monumental effect on our industrial sector, and how it has such a dramatic effect on the lives of each and every one of us. Literally no one in the province is spared from this kind of taxation.

From the Treasurer's point of view, the nifty part of it is that he does not have to do anything from here on. Once this bill carries, once this tax is put in place, it is so good he does not have to do anything about it after that. It automatically escalates. The government's chunk of the pie goes up automatically.

It is a nifty idea because he has to play the bad guy in the process only once. Only on one occasion does he have to come in here wearing his black hat to say, "I want more money from the gas pumps." Once he gets that act done, he can sit back, relax and collect the revenue. He does not even have to do that. He has another guy in a black hat, the Minister of Revenue, who will do that for him. He is here this afternoon saying he does not like all the debate about this thing. He does not want members on the opposition side to stand up and object to it.

What if Joe Clark had said that less than a year ago? Think if Joe Clark had stood up in the Parliament of Canada and said: "We do not want to hear from Ontario on this energy price stuff. We are supposed to be Tories. Sit down and shut up like a good Tory does."

Mr. Nixon: Less than two years ago.

Mr. Breagh: Less than two years ago—my,

how time flies. I was waiting for my friend to make his usual valuable contribution to the debate.

Mr. Nixon: I like to help you in every way I can.

Mr. Breagh: I appreciate it.

There is an evil undertow in this bill. There is a sense of the machiavellian about the principle of this bill. It gets one today but, more important, it puts in place the mechanisms to get one every day of one's life from here on.

It gets one where it hurts, right at the old gas pump. The beautiful thing is, they can steal money out of people's pockets and they do not even know it is being done. It is the difference between someone who is a mugger in a park and somebody who is a pickpocket in a crowd. These people have simply decided they would rather be pickpockets. They do not want all the messiness of mugging in the park.

Mr. Nixon: This is a great speech.

Mr. Breagh: I thought it was not bad.

Mr. Laughren: The member for Prince Edward-Lennox (Mr. J. A. Taylor) helped him write it.

Mr. Breagh: I remember him when he was Minister of Energy. He is the only one who has ever been honest enough to admit that ministers of the crown get mugged in the halls around here.

Mr. Nixon: He did not last.

Mr. Breagh: He did not like it. He had to pack up his little bag and leave.

There is an evil about the principle of this bill. There is something mean and nasty about it. If one were sitting over on the other side, I suppose one would say there is a beauty to it: one gets to steal from them today, tomorrow and every other time they drive up to the gas pump.

I thought I heard, just before the last provincial election, a lot of talk on the other side about a great concern for the people of Ontario and particularly those people who work in the automotive industry. I thought I saw them rushing to hand out money to companies like Chrysler. I thought I heard them say they had all kinds of detailed plans for the growth and development of the automotive industry. I thought I heard all kinds of concerns expressed by different ministers about how necessary it was.

Mr. Nixon: They thought they were going to win in Oshawa.

Mr. Breagh: They should have known better than to try that stuff in Oshawa.

Mr. Nixon: We thought we were too.

Mr. Breaugh: Again, that did not happen. I sensed a concern on the other side that they did not want to do anything that would damage the Canadian auto industry. Deep in that premise is the price of energy, because right now our automotive industry is competing with offshore imports and trying to get on stream cars of its own design which are extremely energy-efficient. But the reality of the day is that most of our consumers still do not have an automobile that is energy-efficient, and many of the automotive products we still make in this province are going to get hit worse by this kind of taxation process.

There is the meanness of this bill. It looks like a small, nasty piece of business, another taxation bill. There is just a little of pain associated with it. But it gets one every time one goes to the local gas station. It is one's friendly corner gas station attendant who will get it for the government. Even though he does not want to be, he is an unwitting accomplice in this piece of theft.

5:20 p.m.

But it also gets to those people who are working in the automotive industry. As they drive to work in their pickup trucks and Chevy V-8s, it gets them on the way to work and it gets them on the way from the job later on in the day. It also gets them while they are at work, because it is going to be very difficult to convince the public it ought to buy the big Chevs and Pontiacs we make in Oshawa when they are going to get hit with this kind of taxation at the gas pump.

The people of Ontario who are driving around in those Chevs and Pontiacs are reasonably concerned about the price of energy. They understand that the large V-8 motor or the V-6 motor they have in their car, or even the smaller little four-cylinder jobs that are out there now, are not quite as energy-efficient as they might be. But they are trying to make it through. Yet while they are doing that, and probably listening to the Minister of Industry and Tourism (Mr. Grossman) telling the world about how much he is trying to do for the Canadian automotive industry, the Treasurer is trying to put these people out of business.

To be honest, this government should take this little bill around to every automobile showroom in the province, stick it up on the window and give the consumers fair notice. It should say to them that if they want to buy a car made in Windsor, Oakville or Oshawa they at least ought to know the province is going to steal from their purse while they are driving it. The bigger car one buys, and the larger motor it has,

the happier the Treasurer of Ontario is going to be because he will get even more money out of the consumer's pocket.

Mr. Treleaven: The rich should help the poor.

Mr. Breaugh: The rich should help the poor. This is a case where the rich are stealing from the poor and attempting to convince them it is okay to do that. I do not understand that.

Mr. Wildman: It is the poor who have the old energy-inefficient cars.

Mr. Breaugh: The last time I looked, it did not cost any money to go into the showroom; it was getting out of there that was the problem. I read Robin Hood a long time ago, and I think those members have the story all wrong. Robin Hood robbed the rich to give to the poor, not the other way around. Those members are playing it a little backwards.

Peter Lougheed has some friends in here now. He has on the opposite side a whole troop of folks who are more than happy to raise energy costs in the province. A little while ago they did not like that, but that was before the provincial election. We are now turning over the coin; this is after the provincial election. They got what they wanted. They got their mandate. They got their opportunity to grab a little bit more, each and every day, out of everybody's pocketbook.

Someone from the opposite side said, "We are helping the poor." The poor are not the people who are out there in the car showrooms buying new cars. They sure as hell are not buying them at 15, 16 and 17 per cent interest rates. They are not buying anything. They are trying to get that older car—if they have one of those—to go a little bit farther. They are trying to use the vehicles they have—that capital investment they have made—and to stretch it out. The problem is that in doing so it may not be exactly in top operating condition; it may be even less fuel-efficient than it ever was.

What is the smiling Treasurer doing? He is happy again. He is not here this afternoon. I suppose he is out in his government limousine, tootling around Ontario. He is not too worried about this bill. He thinks the Minister of Revenue is in here and that he will carry it through. He is not worried about whether it is going to cause him excess pain at the gas pump, because he has one of those little government credit cards. He cannot lose on this one; he has eminent protection.

Perhaps one should reverse that role and say to all of the poor people in this province: "We

on the government side who have all this money will accept the principle in this bill. We will buy that gas at the old gas pump and give you all the limousines and drivers and credit cards at our disposal." It would be an interesting technique, would it not? It would be a good way to redistribute the wealth.

Why does the government not find a housing project in Metropolitan Toronto and say: "Here are all the limousines normally used by the cabinet and here are all our gas credit cards. We are going to protect you from the evil things that are in this bill. We are going to solve that problem for you so that it will not affect the poor."

At the same time, they should say to the cabinet: "Now get out there, boys, and get yourself a brand-new, fuel-efficient Chev or Ford or Chrysler product." They should say that to the cabinet and make them buy it out of their own pockets, and let them pay this kind of tax out of their own pocket as well. But I do not see them doing that. I think they have this one little idea in the back of their small heads, and that is to tax as many people as they can in this province. They want to tax them as many times as they can, and they like it best of all when they are not even seen to be the person doing the taxation.

This bill, which is going to substantially augment the coffers of the province, will not be implemented on a government form. We can bet our lives that there will be no notices going out to consumers as there were with the senior citizens' property tax rebate program saying, "Here is your cheque from Lorne Maeck."

There will be no notice to consumers. They will not be getting a letter from the Minister of Revenue saying: "Listen, when you go up to the Esso station on the corner and get nailed for the ad valorem tax today, that wasn't me; that was somebody else." There will be no identification. There will be no trillium put on the gas tanks either. There will not be any trilliums such as we see on the street cars, the buses and down at Ontario Place and anyplace else where the province wants to identify to the people of Ontario that here is your friendly provincial government doing something.

I do not sense that they are going to put out a little sticker that will go on the gas pumps saying, "The reason you got nailed an extra two bucks this morning when you filled up your tank is that the province of Ontario stole it from you with this ad valorem tax." There will not be any identification like that, will there?

It would be an interesting concept if the government of Ontario decided in its wisdom that, every time it was going to tax somebody in a way that they cannot see it, it would send them proper notice. They would put a little sticker up on the showroom window and say to people who were contemplating buying vehicles that are not exactly fuel-efficient: "You will pay a heavy penalty for this, but it is okay, Bill and the Big Blue Machine are the ones who are grabbing it. We may not be there, we may not be the ones taking it out of your hand, but we are the ones who caused it."

It would be a different matter if they took this bill and stuck it on the gas pumps so that consumers, when they are buying, could find out exactly who it is ripping them off at the old gas pump. A lot of them are under the illusion that it is only the producers in the western provinces who are causing high energy prices. I suppose we could make an argument that if we sat at the gas pump, we could analyse how much of the cost of a gallon or a litre of gas is due to taxation in various forms. People might be informed about that, but that is a little tricky and it is going to be even trickier with this bill.

When this principle is put in place, we will have the kind of ultimate ripoff of the consumer. They will not—

Hon. Mr. Ashe: A little simple arithmetic will do it. I realize you'll have trouble, but most people will know 20 per cent is an easy figure to work with.

Mr. Breagh: Well, go ahead. I am waiting for the member to make his point.

Hon. Mr. Ashe: I am just saying that 20 per cent is an easy figure to work with; you might have trouble with it, but most people won't.

Mr. Breagh: I see. Sometimes the wit of the minister absolutely astounds me.

I want to say that I oppose the principle that is inherent in this bill. It strikes me that it is a major attempt on the part of the government of Ontario to get its foot in the door on energy prices. It is not doing so in a positive way that would create for the people of Ontario any mechanism that would assure them of greater supply, that would assure them of consistent energy prices or that would assure them of better distribution. What we have here is a straight grab at the consumer's pocketbook and an attempt to put that in a form that I find particularly offensive.

Because if they succeed, for example, in

stifling debate in here this afternoon, as the Minister of Revenue has tried to do on about four different occasions—

Mr. Rotenberg: That is not true. Nobody has tried to stifle debate.

Mr. Breagh: —if they succeed in shutting down that basic operation of a parliament, then they will also have succeeded in putting into place the type of taxation that is most unfair, because it then becomes very difficult for the consumers, the taxpayers and the people of Ontario to see exactly who is taxing them. It is going to be very difficult for the consumers.

Mr. Rotenberg: It says right on the gas pumps. Don't you ever read the gas pumps? It shows how much is provincial and how much is federal.

Mr. Breagh: Does the member want to participate in this debate? That is the other thing: I would like to hear from all these Tory back-benchers. I would like to hear the inspired words from all of those people from the north and the rural areas. I want to hear them tell me how the guys who are driving pickup trucks are going to like this kind of tax. Let them tell me about that.

Why does the member not stand in his place and defend this tax? If he thinks this is a nice piece of business, then I ask the member for Cochrane North to tell me how people who drive pickup trucks through his area are going to love this kind of taxation. Let me hear his views on that.

5:30 p.m.

That is what I find offensive here. As I see the whiz kids on the front bench down here, they are saying: "This is a nifty piece of business, boys." Then there is a great silence emerging from everybody else. Where are all the people from the rural areas? Where are their voices on this particular matter? Do they think this ad valorem tax is—

Mr. Piché: Silence is a virtue.

Mr. Breagh: So is chicken-heartedness a virtue from time to time. If the member for Cochrane North wants to get into the cabinet, he had better learn to keep his mouth shut back there. Is that not the secret of it all? I am inviting a response from members who have constituents who drive a lot of miles. I am inviting a response from those who have farm constituents. They are going to be using a lot of gasoline and going to get nailed by this perhaps more than anybody else. Where are these members?

Where are all my friends over there on the other side who want to bring the world into Ontario to see our lakes and our rivers—at least the ones that are not polluted, to see the ones where at least we have not posted: "Do not eat these fish; they will kill you"?

Where are those members now? We know they want to draw the tourists into this area. They want them to travel around Ontario. They want them to see exactly what we have to offer to the world here in this province—and I think that is a good idea. But if they stick this kind of taxation measure in place, it is going to cost them more and more and more. I bet when the government puts this tax in place it is going to hear from the tourist operators and the farmers.

Mr. Rotenberg: It is still cheaper than American gas.

Mr. Breagh: The parliamentary assistant has this little problem in his head. This province is not yet part of the United States of America.

Mr. Rotenberg: I know, and it is going to remain independent.

Mr. Breagh: An independent nation; is that the term the parliamentary assistant is using now?

Mr. Rotenberg: No, part of an independent country. We are still getting American tourists up here.

Mr. Breagh: I thought the parliamentary assistant was trying to attract all these people into the province to use the road system, which the government built at great expense. In many parts of the province it is a good one, but for many parts I apologize. In many parts of northern Ontario the road system is not quite as good as it is in the southern part of the province. Maybe if the parliamentary assistant spoke up a little more, maybe if we had an opportunity to hear the members from the rural areas, from the north, from the east—

Mr. Boudria: The member for Leeds (Mr. Runciman) will speak on it.

Mr. Breagh: Yes, that would be interesting. I heard the member for Leeds give a very interesting maiden speech in here, and I heard him criticize the government. I wonder how often he is going to do that, because that is an interesting principle.

The member could convince some of his colleagues to put before the cabinet the problems his constituents will have with the principle in this bill, and to do it now before the bill is implemented. Do not sit around and wait for six

or eight months. Do not wait until the end of this summer when the tourist camp operators come in and say, "Gee, the number of people who are travelling from the southern urban centres up into the rural areas in the northern part of the province is declining rapidly because the energy costs are really pretty dramatic and people who have campers or recreational vehicles are really feeling the pinch of this ad valorem tax."

I bet outside in the lobby on the other side, by the fall of this year, we will be hearing all those guys. There will be a silent protest in the lobby on the government side. Would it not be nice if the members opposite had the intestinal fortitude to come in here this afternoon? The members opposite know those arguments are going to come to them over the course of the summer. The members opposite know the farmers and tourist operators are going to be unhappy with this ad valorem tax. The members opposite know it is going to cause problems for their constituents, but they do not have the intestinal fortitude to stand and put on the record of this House their exact opinion on all this. I have not heard them.

Maybe the vow of silence in the question period this afternoon extends to all bills as well. I thought it would be interesting to hear in this debate different views from members who represent different constituencies around the province.

Mr. Wildman: Even the member for Cochrane North is quiet.

Mr. Breagh: Yes. One can hardly invoke a heckle these days. They are all on their best behaviour.

The Deputy Speaker: Continue the debate, Mr. Breagh.

Mr. Breagh: I am trying to, Mr. Speaker, but I think they are attempting to interject. They are trying to work up their courage to get an interjection in. I would be happy with an interjection on the record. I will give the member for Cochrane North a little space here. He does not have to do a whole speech, just a couple of words.

I do not know whether Hansard can record a chuckle on the part of the member. When we go up to that part of the country in the summer and fall and hear complaints from his constituents about the ad valorem tax and the price of energy costs, I want the record to show what his response was when this bill was going through

the House. His response was a little chuckle. Some say they heard it in both languages, but I only heard it in one.

Mr. Rotenberg: Which one?

Mr. Breagh: French.

Ms. Copps: It was definitely a French chuckle.

Mr. Breagh: It was definitely a French chuckle.

The Deputy Speaker: Never mind the interjections. In conclusion—

Mr. Breagh: In conclusion? Do I sense that the chair itself is moving to move closure on the members? Do I sense that my—

The Deputy Speaker: That is hardly the case, if you were here about an hour ago.

Mr. Breagh: I was looking for you Friday night, Mr. Speaker. We had a little gathering on Mary Street North in your riding, and I thought it would have been nice if the honourable member for Durham East had participated in that gathering. We would have welcomed you.

The Deputy Speaker: You have me at a disadvantage, Mr. Breagh. Would you continue with the debate, please?

Mr. Breagh: Maybe the chair should not interject, then.

The Deputy Speaker: I am interjecting because you are not speaking to the principle of the bill, remember?

Mr. Breagh: Let me get back to the principle of the bill. The principle of this bill is kind of institutionalized stuff. It is the government of Ontario moving into the use of computers to elicit tax money from the people of this province, to get a face of decency on the taxation measures, because that is what this does; it is institutionalized increases for taxation purposes. It is not as if we have an opportunity to deal with the budget here; we have a chance to deal with this bill this afternoon, and that is it. The next time the tax increase, which is an integral part of this bill, kicks into place, we will not have the opportunity to say that.

Mr. Rotenberg: That is the way the sales tax works.

Mr. Breagh: There is a little bit of difference between the sales tax and this.

I want to make sure the record shows I left a little time for other members in the Tory caucus—those from rural Ontario; those from northern Ontario; those who have tourist camp operators; those who have people interested in

the use of recreational vehicles; those who have constituents who drive the larger, not-so-fuel-efficient cars; those who have constituents who, by the nature of the province, have to hop into a pickup truck and drive 80 or 90 miles to get some groceries. They are the ones the government is going to nail with this ad valorem tax. The government is going to get them today, it is going to get them tomorrow and it is going to escalate that.

I want to leave a little bit of time, too, for those members who represent industrial ridings in this House—most of them are on this side, but there are one or two over there who have their finger in an industrialized area. They will recall the words of the Treasurer (Mr. F.S. Miller) at the time of the great Joe Clark energy debate about what increasing the energy costs, as they are doing in this bill, would do to our industrial sector.

I want to leave a little bit of time so that those members who serve some of the 20,000 unemployed who are the consequences of this kind of energy escalation and pricing have an opportunity to participate in this debate. I want to give those who have constituents who run small businesses, the smaller industries—maybe not quite as efficient as the larger corporate entities—who will get hit once again by this kind of taxation, a chance to rise in their places and tell their constituents on the record—never mind the world at large—they think this kind of taxation process is unfair.

I think they should tell their constituents they think the principle embodied in Bill 72 is an unreasonable way for the government to proceed. I think they should have the chance to say they at least had the guts to stand up in this House and testify before all the other members that this kind of taxation is unfair and is going to cause their people pain.

Before we wrap up on this bill I want to make sure all members who have that kind of intestinal fortitude, who represent those kinds of ridings, will get the opportunity to stand up and say so. Those who do not—

Mr. Rotenberg: Sit down and give us an opportunity.

Interjections.

Mr. Breagh: If it were anyone other than the member for Wilson Heights who was threatening to speak I would do just that.

I want to conclude by saying very simply that the principle of this bill is evil in its nature. The principle of this bill is taxation without letting

people really see how the taxation is occurring. The principle of this bill is wrong. It has immense ramifications for the Treasurer of Ontario. I am rather interested in the principle he has there from a revenue-gathering point of view, but I do have to point out that it shows a dramatic change in the government's thinking about where it stands on energy prices. It puts them right in the big leagues.

5:40 p.m.

Every time Shell Canada, Imperial Oil or any of the larger corporations want more money, any time the federal government wants a bigger chunk of the pie, any time any of the western producing provinces want more money, I know where Ontario is going to be, standing there smiling with its hands outstretched because it is now part of the oil cartel.

They are happy because anytime anyone in the system bumps the price upwards either onshore or offshore, Ontario will be able to say, "My, you really should not do that, but sincerely we were really glad you bumped up the price because now we get an even bigger chunk."

That is unfortunate because at one time I thought I saw a government that was prepared to tell it like it is about escalating energy prices, to fight back, to represent its industrial sector and to represent its consumers. Now I see there is something which has changed its mind on that position. It is something called greed.

The Deputy Speaker: Let the record show the member for that part of Oshawa was at a function on behalf of the handicapped children in my riding of Durham East.

Ms. Copps: Mr. Speaker, I must proceed with less than my usual voice today because I am suffering from a slight cold. I hope it will not limit the message I am going to try to get across to the government.

I feel a peculiar and particular responsibility today to address the issue of this insidious and sinister ad valorem tax. Not only do I have to answer to the members of my party and the members of this House but I have some of my own constituents in the gallery. I would like it to be known that those constituents in the persons of Don Drury and Dan Abrahams are the kind of people we have been talking about. They are students. They are those on fixed incomes. They are those who are going to be the hardest hit by this tax upon tax, this profiteering on inflation.

If the government saw the kind of car Don Drury is at present forced to drive, with the

present situation of high gas costs, it would understand my concern that Don Drury may even have to give up his transportation altogether with the introduction of this insidious ad valorem tax.

It is easy enough for members of the government to say as they roll around in their limousines that the common people should absorb this index on inflation, but there are many people like Don Drury who cannot afford to keep up with the kind of inflation this government is setting up by this ad valorem tax.

We have had much discussion over the last week and a half—I hope it continues and I dare say it will—on the issue of the ad valorem tax, but I would like to take members back a few years. I would like to take a look at the true meaning of ad valorem. I always considered Latin a dead language but in this tax it has truly come to life. For those who have not had the benefit of taking Latin and who do not know what case ad valorem is, it is in the accusative case. I say accusative because I think there is only one method in which we can look upon this tax and that is accusing the government of an index on inflation.

J'aimerais aussi dire que cet impôt accuse, on doit accuser le gouvernement de l'Ontario parce qu'il donne de l'inflation en taxe. Je pense qu'à l'issue de taxe ad valorem on doit considérer qu'il y a des gens comme monsieur Andrewes ici qui n'a vraiment pas les moyens de continuer avec le système tel quel. Si on ajoute la taxe ad valorem ça va continuer à être de pire en pire.

As many have done on the opposite side and some on this side of the House who have legal backgrounds, I would like to develop a case in the best legal sense in discussing the insidious nature of this tax.

Just to bring this into perspective, I used to work as a newspaper reporter for the Ottawa Citizen. One of my responsibilities was to cover the court on the Quebec side of the river. In my capacity as reporter I often had to cover murder trials, et cetera. I would say the most brilliant execution of the law I ever saw in my brief career as a journalist was the case of an alleged drug dealer who had allegedly beaten one of his cohorts over the head with a sledgehammer, stabbed him with a pick and buried him in a very shallow grave.

Apparently the case against this gentleman was airtight. However, we were all waiting with bated breath to see what kind of brilliant defence the defence lawyer could mount. The alleged attacker had a number of previous

convictions against him and therefore chose not to appear in the witness box. In our common law, if a person chooses not to appear in the witness box no record can be made of his previous offences. This applied even though this gentleman had been up on a number of charges including murder. Because he chose not to appear in the box, we were not allowed to make any comments about his record.

In order to execute his defence, the defence lawyer called a witness who had received a first-hand confession from this man who had allegedly beaten, bludgeoned and ice-picked a fellow drug dealer.

The Deputy Speaker: Wait a minute, Ms. Copps.

Ms. Copps: Do you not want to hear the end, Mr. Speaker?

The Deputy Speaker: I am having difficulty seeing how it relates to the bill.

Ms. Copps: I will get to it very briefly, Mr. Speaker.

Even though I did not have much respect for the alleged criminal, the defence lawyer was brilliant. He invited the witness to the stand and said, "You have a first-hand confession. Where did you get this confession?" The witness had garnered the confession from this criminal when they were together at Kingston penitentiary. Anyone who is familiar with our legal system knows that in order to get to Kingston one has to be a criminal with a record that includes at least a two-year sentence. On this simple point of law the whole case was immediately thrown out. The lawyer crucified the opposition with their own words and that, Mr. Speaker, brings me to the point.

I will continue in French for the benefit of the member for Prescott-Russell (Mr. Boudria).

On doit considérer qu'il y a des gens comme Monsieur Andrewes ici qui n'a vraiment pas les moyens de continuer avec le système tel quel. Si on ajoute la taxe ad valorem ça va continuer à être de pire en pire.

Je vais expliquer un peu. J'aimerais expliquer un peu ce qui arrive dans cette cour où—c'était vraiment une cour très bizarre parce que nous avions vraiment—un monsieur est arrivé. L'avocat a demandé à celui qui était le témoin, mais où avez-vous trouvé cette information? Et le témoin a dit je l'ai trouvé quand j'étais avec lui à Kingston. Alors c'est exact, si quelqu'un fait—pour dire que l'autre personne avait un record criminel toute la cour était foutue dehors et on devait continuer. Je dis cela pour dire à mon-

sieur l'orateur qu'il faut prendre les paroles du gouvernement conservateur pour vous démontrer vous-même comment vous trahissez les gens de l'Ontario.

One of the things we must also consider, notwithstanding the ad valorem tax, is the kind of tax burden—

Mr. Wildman: I thought you were going to get to the point of your story.

Ms. Copps: The point of the story was that the defence lawyer was able to have the whole case thrown out because the witness testified he was in the penitentiary and therefore had a criminal record. Therefore the evidence was not allowable and it had prejudiced the case. They had to start all over again. I am going to attempt to do that here.

5:50 p.m.

According to Statistics Canada for 1980-81 we have already had a 31.4 per cent increase in car and truck fuel. That is notwithstanding the ad valorem tax. Let us look at what that will do to the consumers of Ontario.

Excuse me, my throat is bothering me.

The second problem we have, again from Statistics Canada, is that the increase in alcohol and tobacco prices through the budget was 9.9 per cent. The only thing I can do is take the words of this very government which is now proposing the ad valorem tax. Let us see what they had to say in the past—during the election, in 1979, in 1978, in 1977, in 1976, in 1975 and for as many years as they have been in government. I am hoping that what goes up must come down, and eventually this government will come down and we are going to bring it down.

Let us hear what the Premier (Mr. Davis) says about increases in energy taxes. On December 18, 1979, according to the *Globe and Mail*, he said, "A large increase in excise tax would be a wilful attack on the individual consumers and the general economy of Ontario and would not serve to advance self-sufficiency." Have we seen anything in this budget of 1981 that will encourage self-sufficiency? Has there been any initiative on the part of this government to use the ad valorem tax to further our self-sufficiency in Ontario? Nothing of the sort. It has been a mere tax grab. As the member said, "Instead of mugging—"

How did the member put it?

Mr. Nixon: "Instead of mugging you in the bush, he is picking your pocket."

Ms. Copps: Right: "Instead of mugging you in the bush, he is picking your pocket." I think that

is right on. Let us see what the member for York Mills (Miss Stephenson) had to say in her election material. "Many economists have identified excess government spending and lack of fiscal management by government as two factors which fuel inflation."

Mr. Rotenberg: Mr. Trudeau is a pro at it.

Mr. Wildman: You are just jealous because you are not as good at it as Trudeau.

Mr. Rotenberg: At least we are honest about it.

The Deputy Speaker: Order, please.

Ms. Copps: She cites one of the reasons people should vote for her and for the Conservative government is that they have not increased major taxes; there has not been a growth of government spending, they have been attempting to reduce inflation. This was all prior to the realities of March 19. What do we see now? Everything they have spoken against is becoming a sad reality for the taxpayers of Ontario.

Over and over again in this campaign literature of a government that alleges to have kept the promise and that it will keep the promise we see this same tone—this same empty promise of keeping taxes down, of not allowing such a tax as an ad valorem tax ever to come into existence, heaven forbid, in this province.

This is from the flyer of the Minister of Health (Mr. Timbrell): "Provincial income taxes have not increased since 1977 despite the pressures of inflation." I quote: "The Progressive"—I use the word loosely—"Conservatives have led Ontario through a tough economic time by providing sound government management"—

Interjections.

Ms. Copps: I am glad to see they are clapping because I am sure they will be clapping when I read the rider: "and despite inflationary pressure, provincial income tax, which is the largest source of government revenue, has not increased since 1977." Now clap.

However, as our party has said and will continue to say, according to the Conference Board of Canada, Ontario has been last in gross provincial product growth, last in per capita gross provincial product, last in per capita income, last in rate of public investment, last in residential construction. The Premier's reply was, "It is unfair to compare Ontario with Prince Edward Island."

I would like to compare Ontario with Prince Edward Island because there was a time when Ontario was not as quick to get on the taxation bandwagon. I refer to the original introduction

of the gas taxes. Many of the members may not have been born then so I will fill them in on the historical perspective.

Let us take a look at the history of gasoline taxation. The first tax was introduced in the United States in Oregon in 1919. In 1922 Alberta, as usual taking the lead in this field, was the first Canadian province to introduce gasoline tax. But Ontario held back, because at that time they realized they had a certain responsibility to the people of Ontario.

Between 1922 and 1925, Manitoba, British Columbia, Prince Edward Island and Quebec began taxing gasoline. Did Ontario take the lead as in the ad valorem tax? No. It waited until May 11, 1925, which was the momentous day when the Ontario consumers were levied with a three-cents-a-gallon tax on gas. It has been going up ever since.

Some on the opposite side of the House—I was not there at the time—may remember a few short years ago when the government did speak out against resource tax increases which carried no responsibility to encourage conservation of supply or development of alternative sources.

J'aimerais aussi discuter un peu de la situation historique pour l'essence. Comme vous le savez, en Ontario, on n'est pas toujours les premiers à commencer avec les impôts sur l'essence. Si on voit l'histoire de la taxation, c'est arrivé premièrement aux Etats-Unis en 1919 suivi par la province d'Alberta en 1922. Comme d'habitude l'Alberta a pris position en premier au Canada pour mettre la taxe sur l'essence. Pour continuer, entre 1922 et 1925 Manitoba, l'Ile-du Prince-Edouard, la Colombie-Britannique et le Québec ont commencé cette sorte d'impôt. C'était seulement le 11 de mai 1925 que le gouvernement de l'Ontario a commencé cette taxe. A ce moment-là ils ont fait un impôt de 3 cents sur le gallon et il faut dire que cela a continué à augmenter depuis ce temps-là.

The reason I am translating is for the benefit of those who may not know. There are people in this province who do not speak English and who have the right to hear services in both languages. When this House gets a translation service equal to the kind in other provinces we will not have to carry on this dual translation.

Hon. Mr. Ashe: A lot of people understand it.

Mr. Roy: You aren't getting the message in either language.

Mr. Rotenberg: It is six o'clock. Mr. Speaker.

The Deputy Speaker: Order, please, from all members of the Legislature. Ms. Copps is not feeling well.

Ms. Copps: Do you want me to adjourn now? I am prepared to adjourn.

I would like to tell the members what the Treasurer has to say.

Le trésorier de l'Ontario et le ministre de l'Economie. Il a fait un discours le 10 juin 1981 au Ottawa Men's Club. Et qu'est-ce qu'il a dit au Ottawa Men's Club à propos de cette taxe vraiment répréhensible?

"I want to point out one thing many people do not realize is that Ontario's taxpayers have the second lowest tax burden in the country." That may be the case if one does not include OHIP premiums or this insidious ad valorem tax. The Treasurer may well have a case, but every newspaper in the province has verified that with these taxes Ontario is second to none in provincial income taxation.

The Deputy Speaker: And at that point you will be adjourning the debate.

On motion by Ms. Copps, the debate was adjourned.

The House recessed at 6 p.m.

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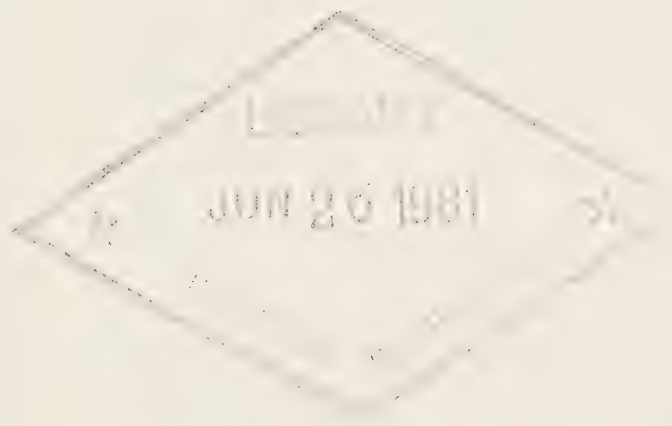


Ontario

No. 47

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Monday, June 15, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 15, 1981

The House resumed at 8 p.m.

EXTENSION OF INTERIM SUPPLY

Hon. F. S. Miller moved, seconded by Mr. Wells, resolution 5:

That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing June 1, 1981, and ending October 31, 1981, such payments to be charged to the proper appropriation following the voting of supply.

Hon. F. S. Miller: Mr Speaker, I really have no comments to make on this motion except to say the current rules require that the interim supply motion be for not more than six months. This one meets those requirements. It expires October 31, and I ask the other parties to accept our motion.

Mr. Roy: Mr. Speaker, on this side, we quite understand the purpose of the motion. I think there would be some derogation of our duty if we did not make certain comments on the motion and did not take advantage of this opportunity to address a few comments to the House.

We hope the comments will filter through to the Treasurer. We have not had the opportunity to see him since the budget. As the system works, the Treasurer comes into the House and—well, as he was saying in a recent speech in Ottawa, and I quote, “It goes without saying that the biggest event of the year for any provincial Treasurer is budget night.”

On budget night the cameras are rolling, the lights are on, the place is full, the galleries are full of friends of the government and it is an occasion for a performance by the Treasurer. It has to be one of the best jobs going. He gets all the glory, all the focus and all the attention.

Then, as the bills come in to be defended and put through the House, the Minister of Revenue (Mr. Ashe) gets all the glory. We are into a situation where the more contentious part of the budget, the ad valorem tax, becomes the responsibility of the Minister of Revenue who, over the last two or three weeks, has been sitting here listening to the comments of a variety of my colleagues about our concern and our objection

to this tax. In the meantime, the Treasurer goes off for other things, such as making speeches all over the province.

I thought I would take this opportunity to review this with the Treasurer who I am so pleased to see is in fine form. I was watching him jogging this evening as I was walking across the park, and I thought it was appropriate and significant that, while all the joggers were going basically counterclockwise around the park, the Treasurer was the only one going clockwise.

Hon F. S. Miller: I see all the girls twice that way.

Mr. Roy: I think that should go on the record. He says it gives him an opportunity to see people jogging—the girls, did he say?

Hon. F. S. Miller: The ladies.

Mr. Roy: The ladies from both sides; I thought that things must be looking up for the Treasurer to be picking an evening like this evening to be out there jogging. He must be getting in better shape all the time, because this is not one of the better days; it is pretty warm to be out there. But he was there, and I saw him going around; I did not count how many times he went around.

I thought it important that, when we reviewed this government supply motion, I should review with the minister his recent speech in Ottawa. My colleague from Hamilton earlier in the day mentioned the famous Ottawa speech he made on Wednesday, June 10, 1981, at the Ottawa men's club. I am not really sure what that is. What is it?

Hon. F. S. Miller: The Men's Canadian Club of Ottawa.

Mr. Roy: Men's Canadian Club of Ottawa. Was it made at the Chateau Laurier? Mr. Speaker, a speech was made by the Treasurer just this week, and I thought I should review it with you and with the Treasurer, because I cannot quite believe he made this speech. I do not read many of his speeches, but I could not quite believe he made this one.

If anyone wants an indication of the cynicism and the arrogance of this government, all he has to do is read the minister's speech made to the Men's Canadian Club on Wednesday, June 10,

which was a ringing defence of the budget address presented earlier in the month. I will review it briefly.

It starts off by saying, "It goes without saying that the biggest event of the year for any provincial Treasurer is budget night." Of course, it is. All of us who have watched this performance take place are quite aware that there is not much news emanating from Queen's Park, but budget night is certainly news, especially this budget night.

The Treasurer and the government made sure that what they had been missing, or what they had slipped up on, in the previous budget when they were in a minority situation, or in the other situation when Darcy McKeough backed off, they made up for in this particular budget.

The Treasurer goes on to say, "At that point my remaining task is to defend my budget measures, and I must say that the budget I introduced on May 19 is one that I am more than happy to defend."

When he gets involved in this sort of aggressive, jock-like defence of his budget, it reminds me in some ways of his enthusiasm for closing hospitals a few years back. This is the same gung-ho, jock-type, let's-go-get-'em attitude: "We have a tough decision to make, and we are going to fight for the cause"—the whole bit. That is the type of enthusiasm he reserves for us in this speech.

He goes on to say: "On the day of the budget the media people at Queen's Park are locked up for the day to read it and prepare questions. In the afternoon, the Treasurer walks into that locked room and faces 40 or 50 people whose one thought at that point is to tear the budget to shreds."

He is setting up the whole thing here of how heroic the Treasurer is in this process.

He goes on to say: "This year was no exception. But one of the nicer questions—certainly one of the easiest to answer—was when a reporter asked me to describe the budget in one word."

I ask my colleagues here how they would describe the Treasurer's budget in one word. One of my colleagues behind me says "devious." Somebody talked about "hypocritical;" somebody else talked about "cynical."

But what is beautiful about the Treasurer—is it the old story, if something is repeated often enough, people will believe it—is that he says: "The word I chose was 'responsible'." I do not know why at that point the members of the

men's club were not throwing buns at him. Considering what he was imposing on them, that is what they should have been doing.

He goes on to say: "Why responsible? The economists in my ministry are fond of talking about fiscal responsibility." I do not spend much time reading his speeches, but this one here is a beauty. I must pay closer attention to some of the press stuff that is coming out of that government.

Hon. Mr. Timbrell: I will send you an autographed copy.

Mr. Roy: I say to the Minister of Health, if his speeches are any better than the Treasurer's, he will be coming up next. I am sure we will have occasion to be discussing some of his speeches. There are very few places in the province he has not been. They all know the Minister of Health. There is no ulterior motivation for that. He is there because he cares.

8:10 p.m.

Mr. Conway: Memories of Paul Martin.

Hon. Mr. Timbrell: Don't let Sean interrupt you now.

Mr. Roy: Oh, the interruptions; I do not mind them at all. I will not get cross. I will try to keep restrained and on topic, Mr. Speaker, because I know that if I digress you will bring me back on line, and I certainly do not want to do that.

He goes on to say: "Responsible economists in my ministry are fond of talking about fiscal responsibility, which in its simplest terms to me means government not living beyond its means." Again, I am sure the men's club in Ottawa were thoroughly impressed. Did the Treasurer have his plaid jacket on when he was giving this speech?

Hon. F. S. Miller: Apparently your official critic got it today, but it is all faded now. That is because he is only a pale image of me.

Mr. Roy: Oh, his is not nearly as loud. In fact, I thought when he walked in here with it on that he had fallen out of the car, or somebody gave it to him.

The Treasurer goes on to say: "There are three topics I want to deal with." This is the speech he gave at the men's club in Ottawa. He wants to talk about what he calls "tax increases, the deficit and spending restraints," in that order. I am sure it was given less time, especially with the press and everything around there. The Treasurer must have breezed right through it, to get away with saying what he said before the Ottawa men's club. I do not quite understand why they would let him out of the place.

The Treasurer goes on to say: "Our spending is up this year by 12.2 per cent, which is roughly equal to inflation. Yet, had we maintained our taxation levels of last year, the deficit would have been \$600 million higher." He is just trying to set us up at this point, saying in effect that if it weren't for his fiscal responsibility, the poor people of Ontario would be facing an additional deficit of \$600 million.

Can members believe that? Can members just see these people on their knees at this time? Can members just hear them saying, "Thank God for Frank Miller and Bill Davis and the Tories of this province"?

[Applause.]

Mr. Roy: Mr. Speaker, I think you would want me to state for the record that as I and my colleagues in the opposition stand here and decry this cynical approach to taxation, how the government is taxing the people of Ontario and how we are opposing this, the Tories across the way are smiling and applauding. I think the record should show that. Historians should note this as they are researching their records for posterity.

Interjection.

Mr. Roy: I woke up the fat one on the other side.

The Deputy Speaker: Now, Mr. Roy.

Interjection.

Mr. Roy: I woke up the member for—is it Cochrane North?

Mr. Piché: No. Cochrane Nord.

Mr. Roy: He should hire on as the logo for the Conservative Party. He has that massive, contented, arrogant look about him. He would make the perfect logo for the party. He should come forward. His picture should be on all the pamphlets that are distributed and so on. In fact, the whip should have him on the side of the limousine indicating the Conservative Party.

The Deputy Speaker: Now, Mr. Roy, with great difficulty, I am bringing you back to this resolution.

Mr. Roy: I was in the process of telling members how the Treasurer saved the people of Ontario from an additional burden of \$600 million. Here he says in just one line—I like the transposition in the speech, it is really good—"I had to raise taxes." He says: "I had to; I was forced into—"

Mr. Piché: Albert, how come you are not in Ottawa today? Is there no court? This is a part-time job for you; we know that.

The Deputy Speaker: Order, please.

Mr. Roy: I say to the member for Cochrane North, he should not lean too far back; he will fall over backwards and they will never find him again. He will just be splattered on the back.

Mr. Martel: Is the member for Cochrane North going to argue on our side on gas?

An hon. member: He's on the government side on hot air.

Mr. Martel: The transportation critic for the north—

The Deputy Speaker: Mr. Martel, order, please. Amazingly enough, Mr. Roy has the floor.

Mr. Roy: Thank you, Mr. Speaker.

Mr. Piché: Mr. Roy is creating a problem in this Legislature.

The Deputy Speaker: Stop being so provocative. Let us just carry on.

Mr. Roy: I apologize, and I want to apologize for that meek, mild member, the new member for Cochrane North—

Mr. Martel: The transportation critic for the north. He was opposed to gasoline tax increases—

Mr. Roy: Transportation critic? I do not believe it. How much extra money are they paying him?

Mr. Martel: Not enough, he says.

Mr. Roy: Three thousand extra?

Ms. Copps: Six thousand.

Mr. Roy: Six thousand, somebody tells me. Yes. Knowing his disposition, I just know that they have to be paying him extra to yap that way. He has to be getting extra money to be as vocal—

An hon. member: You are not the Speaker.

Mr. Roy: The member for Wilson Heights (Mr. Rotenberg) cannot say a word. He has to get back in his seat. Mr. Speaker, are you going to bring him to order? He is not supposed to be saying a word from that seat.

The Deputy Speaker: I appreciate that. Carry on with the resolution.

Hon. Mr. Gregory: Have you got a message there, Albert?

Mr. Roy: Yes. Hang on; I am just coming to it, if I may continue. I was in the process of saying that the Treasurer told the Men's Canadian Club of Ottawa on June 10, 1981, "I had to raise taxes." He did not say, "I will cut the advertising budget of Ontario to save you taxes." He said, "I had to raise taxes."

The Treasurer did not say, "I will cut out all

these public opinion polls, which are wasting millions and giving an unfair advantage to the Ministry of Health." He said, "I had to raise taxes." He did not say, for instance, "I will cut out these grants to pay for companies that reports show were not necessary, some for more than \$100 million." He did not say anything like that.

Interjections.

Mr. Roy: Somebody mentioned limousines. Did he say, "We will get smaller limousines"? No way. The reality of March 19 is that we go around with those big cars, chauffeurs, the whole bit. He did not say anything like, "We will cut out those grants, those supposed incentives to large corporations to locate in Ontario," which is another cynical way of giving large corporations money. He said, "I had to raise taxes."

Then he goes on to say—and this is hard to believe—"And I would like to point out one thing which many people do not seem to realize"—good people of Ontario, you do not seem to realize this—"that Ontario taxpayers have the second-lowest tax burden in the country."

In other words, he is saying to the people of Ontario, to the Men's Canadian Club of Ottawa: "You should be lucky to have us, folks. You know we are not taxing you very hard. You are the second-lowest taxed." When he comes to this conclusion, he does not include the rate of Ontario health insurance plan premiums they are paying; he does not include what they are possibly going to pay now with the new ad valorem tax—none of that. He is just saying, "You are extremely fortunate, folks, because you people have the second-lowest tax burden in the country."

Mr. Martel: Except OHIP. When OHIP is added, it is the highest.

Mr. Roy: Yes. He says: "Our provincial spending is the lowest per capita of any province, and yet our education, our health, our social services, I believe, are second to none."

Mr. Rotenberg: Right.

Mr. Roy: "Right," they say. The record should indicate that again most of the Tories on that side were shaking their heads and saying "Right." And yet, ask people in the education field. Why is it, I ask the people on the other side, that we are tenth and lowest in funding post-secondary education? There is a contradiction, I believe, in this statement that our services or education

are second to none. They are second to everybody, folks. They are the lowest in Canada for post-secondary education.

8:20 p.m.

Ask people in the health field whether they feel Ontario has the best health delivery system in Canada at this time. It is just not so. Finally, in the social service field, he is trying to get the Men's Canadian Club of Ottawa to accept this type of garbage. But I shall continue. The speech goes on to—

Mr. Rotenberg: Why don't you make your own speech? Can't you make up your own speech?

Mr. Roy: You had better bring him to order, Mr. Speaker.

The Deputy Speaker: Mr. Roy, that is a good point. Mr. Rotenberg, when you were down in the far corner I heard you just as well as I do when you are right here.

Mr. Roy: That member is hard to take from the other end of the Legislature. Right across the way is unfair and cruel treatment.

An hon. member: A cruel and unusual punishment.

Mr. Roy: It is an unusual punishment.

Mr. Conway: If the Premier thinks he belongs in the far corner, then we object.

Mr. Roy: That is right. The member for Wilson Heights knows we felt he should be in cabinet.

Mr. Rotenberg: So did I.

Mr. Roy: I know he did, but how does he feel when he looks around and sees the member for Mississauga East (Mr. Gregory), who is a Minister without Portfolio, running around in a limousine while he is just running around in his little Chrysler motor vehicle? What is it, a Dart? The member should be envious.

Mr. Rotenberg: At least I am eligible.

Mr. Roy: The speech to the Men's Canadian Club of Ottawa goes on to say, "This to me is an indication that the Ontario government has been one of Canada's most financially responsible organizations for a number of years." He says, "Did you know that we actually owe in terms of debt only half as many months' income now as we did when Leslie Frost was Premier?" I have to go over this. It is hard to understand. It is the typical old trick. If one can find the right statistics—

Hon. F. S. Miller: One plus one equals two.

Mr. Roy: That is right. Let us go over it again. He said, "Did you know that we actually owe in terms of debt only half as many months' income now as we did when Leslie Frost was Premier? I can't remember anyone accusing Leslie Frost of throwing away the taxpayers' money." That is quite right. Leslie Frost listening to this would surely turn in his grave.

I look at some of my colleagues who have been around here for many years and I ask them, can anybody tell me, during the days of Leslie Frost was there ever any deficit? Was there any deficit in Ontario? I ask the Treasurer, during the days of Leslie Frost was there even what he calls—he does not call it a deficit; he calls it net cash requirement. Was there any net cash requirement during the days of Leslie Frost?

How phoney that is. Can you imagine the gall of comparing this administration with Leslie Frost's? Since 1971, while the current Premier (Mr. Davis) has been Premier of this province, there has been a deficit every year. There has never been a balanced budget. As far as I know, during the days of Leslie Frost there was never a deficit. To compare the two administrations is close to being sacrilegious. If the Treasurer were in the barber's chair when he said something like that, he would come out bald. There would be nothing left.

I hate to accuse him of having a deficit, because if one keeps repeating something often enough, even the Tories—they do not use the word "deficit" any more; all one gets from the newspapers and television is "net cash requirement." Is that not a neat phrase? What the hell is that? It is a net cash requirement; no more deficit.

Then the Treasurer says, "Before we leave the question of tax increases, I would like to mention one tax which has been singled out for special criticism, and that is the ad valorem tax on gasoline." He says, "We have been accused of cashing in on oil price increases." Well, what is it?

I look at the Treasurer and recall the advertisements the Liberal Party ran during the 1980 election campaign against Joe Clark when the Treasurer was on television. Does he remember that? He was getting national exposure in those days on behalf of the Liberal Party. In that advertisement he was saying how irresponsible and how tough that budget was on Ontario and what a sacrifice and an imposition it was on the citizens of Ontario.

Mr. Martel: And a sacrifice of industry.

Mr. Roy: Industry, yes; the whole bit. Does Joe Clark still talk to the Treasurer after this budget?

Hon. F. S. Miller: He comes to me for advice all the time.

Mr. Roy: If he met Bob Stanfield, I think he would slap the Treasurer right across the face.

How cynical. On the one hand the Treasurer is saying what an imposition it is on the citizens of Ontario, what greed it is, how they are gouging the public and the industry of Ontario; but here we are with the ad valorem tax, a percentage increase, and the government is benefiting and profiting from inflation.

He goes on: "I can say with absolute certainty that it is a tax measure which is fair, reasonable and will be seen to benefit the economy beyond the simple raising of revenue for the province." That is what he is saying to the men's club in Ottawa.

I ask the Treasurer, who is here this evening with a resolution wanting some money to pay civil servants and for the operation of the government until October 31, 1981, what does he mean by saying, "beyond the simple raising of revenue for the province"?

Does he have something in mind? The Premier is one who loves the old habit of pulling a rabbit out of a hat. Is the Treasurer buying something? Is he trying to give us a message that somehow we in the opposition, who have been stalling this tax measure now for some three weeks, are misguided and we do not see what is happening and that he has in mind that he wants to get in on this oil stuff to buy an oil company?

If that is what he is trying to do and if it turns out to be that, because I would not be surprised if they had something like that in mind, I say that he is very irresponsible. It would be irresponsible if he has started a measure for taxation without having advised the House; or, in other words, not having advised the people of Ontario of his intentions.

What are his intentions in the long run? Is the money only to reduce the deficit here in the province, or does he have a scheme whereby he wants to purchase part or all of an oil company?

Mr. Boudria: He is buying Texaco.

Mr. Roy: Whether it is Texaco or any other one, I think we have the right to know. Before any imposition is made on the people of Ontario and before any imposition is made on this Legislature, we should have been told.

I think members will agree with me that when one has a strategy whereby one intends to take

certain steps, the people should be told. In fairness to the federal people, they said, "The tax increase we have here is going to be to purchase Petrofina." They said, "We have a tax to purchase a share of the oil industry." It seems to me that if this is a scheme that Ontario wants to get in on, and if it is what the Treasurer is trying to suggest in his speech, we in Ontario are entitled to know what is going on.

I want to get into the part of the speech that I think is by far the most interesting. It is the old game where, when one is attacked, when one is in a corner, when one is on the defensive, one throws up smoke by attacking everybody and they will forget about one's own personal problems.

The first government that the Treasurer attacked in this scheme is the government of the United States. Can the members imagine that? He goes on to say, "People sometimes ask me why we cannot take a lesson from Ronald Reagan. . ." I suppose it makes him feel good, when he is talking to the men's club in Ottawa, to say: "Reagan has a different strategy than I have. I, Frank Miller, operate in a different fashion."

He says here: "People sometimes ask me why we cannot take a lesson from Ronald Reagan and simply cut taxes. At the risk of criticizing his administration's fiscal policy, I would say the President is getting away with a shell trick."

8:30 p.m.

Can the members imagine that? He says President Reagan is getting away with a shell trick. Then he goes on to say that in the United States they are not as fortunate as those in Canada who have indexation in their taxes. Whose friends in Ottawa brought in indexation? It was our friends in Ottawa. Was it not John Turner?

Hon. F. S. Miller: It was the only piece of Conservative advice he took.

Mr. Roy: Did the Treasurer take his advice on that?

He goes on to say, "It may not be as popular a method as President Reagan's, but I believe it is more honest and fair to the taxpayers."

That is the first thing he says. He takes on Ronald Reagan and says we in Ontario are taking a more honest and fair approach to the taxpayers.

He goes on to say: "As I told reporters on budget day, I could eliminate the deficit in one year if I wanted to, but the measures I would have to take to do that would be socially and economically unacceptable for Ontario."

The first year we were promised a balanced budget was 1976, after the 1975 election. At that time, we in this party were discussing the irresponsibility of this administration and the fact that it had deficit after deficit. At that time it became politically attractive to talk about a balanced budget; so we first heard about it in 1976.

Some of my colleagues are reminding me of certain things that happened in the province. I mentioned the audacity and cynicism of the Treasurer in criticizing Ronald Reagan. The member for Mississauga North (Mr. Jones) would be extremely critical, would he not? Was Ronald Reagan not his guest speaker at one of the Conservative dos? Do you remember that, Mr. Speaker?

Hon. Mr. Gregory: A great day for Mississauga.

Mr. Roy: There we have it. On the one hand, the Treasurer says the President of the United States is perpetrating a shell game on the people of that country, and on the other hand the honourable member says when the President visited it was a great day for the area. Does he not see the contradiction in that statement? I know he is only the whip and is not expected to be logical; nevertheless, does he not see some illogic in that process?

I am talking now about a balanced budget. We were hearing about it in 1976, only five years ago.

The Treasurer goes on to say: "This year we decreased our spending as a proportion of the gross provincial product for the sixth year in a row." It is the typical situation of getting statistics to say anything. They have even got statistics to say that somehow the provincial debt is less harsh now than in the days of Leslie Frost. They have statistics to say they have decreased provincial spending for the sixth year in a row.

He says, "We also avoided raising corporate taxes." We all know they avoided raising corporate taxes.

Mr. Wrye: That is keeping the promise.

Mr. Roy: Yes, that is keeping the promise.

The Treasurer goes on to say: "We have not abandoned our commitment to a balanced budget—far from it. Although we do have a deficit this year, it is one which we feel is responsible, which is manageable. It will not contribute unduly to the inflation rate, which is already completely unacceptable."

To understand this speech requires some in-depth analysis. Here we have a situation

where the Treasurer is saying, "I am going to balance this budget." We have been hearing that since 1976. I think the first deadline for a balanced budget was 1981—

Mr. Martel: No, it was 1978.

Mr. Roy: Was it 1978? Then we went to 1980, and then 1982. What are we now—1984? He reminds me of the Toronto Argonauts, who every year in spring training—it is beginning to be spring training for football now—are going to win the Grey Cup. They get a few players in June or July and they are going to win the Grey Cup. So here we are with a balanced budget.

This year the budget deficit—and there is a nice touch to it—is \$997 million; it is just under \$1 billion. It sounds harsh when one talks about a \$1-billion deficit; so they are just \$3 million underneath with a deficit of \$997 million. That is the process after the budget deficit has increased. How much has it increased? Last year was the budget not closer to \$600 million or \$800 million?

Hon. F. S. Miller: It was \$949 million, for the member's information.

Mr. Roy: The budget keeps increasing, and yet we get their promise that we are working towards a balanced budget. I have difficulty understanding that.

The Treasurer goes on to say the spending of the province in this budget will not contribute to the inflation rate. The other governments will be the ones contributing.

First of all, we have had an attack on the government of the United States; now here is the attack on the rest of the country. He says: "That is why I am quite honestly dismayed at the actions of some other governments in this country. This year we have seen a budget with a \$2-billion deficit in the case of Quebec."

Basically, what he is saying, is: "They are terrible in Quebec. Our budget, with a deficit of \$1 billion, will not contribute to inflation, but Quebec's will. In Quebec, those terrible people are contributing to inflation."

Then he goes on to say: "We have seen increases in government spending—in the case of Saskatchewan an increase of 24.5 per cent." My friends to the left, he is now attacking the Saskatchewan government.

Mr. MacDonald: They are not cutting back on social services. They are raising the money to do something about them.

Mr. Roy: Yes, but they are irresponsible in Saskatchewan, you see. In effect, what the Treasurer is saying to the Men's Canadian Club

of Ottawa is: "Saskatchewan is being irresponsible; it is contributing to inflation." They do not even have a deficit, do they?

Mr. Martel: Twenty-four dollars.

Mr. Roy: In any event, what those terrible people in Quebec, Saskatchewan and the United States are doing is inflationary.

Then he goes on: "The worst of all is the federal government in Ottawa, where spending takes up 20.8 per cent, one fifth, of the gross national product." In Ontario, the spending increase does not contribute to inflation; the deficit does not contribute to inflation. It is Ottawa that is the villain; it is Saskatchewan, Quebec, the United States—everybody but the Treasurer. He is still going clockwise around the racetrack. He is going the opposite direction of everybody else.

He goes on to say: "The federal government spending, on the other hand, is without doubt the strongest contributing factor to inflation in Canada." Not Ontario's spending, not the Ontario deficit; but the federal government, the Quebec government, the Saskatchewan government and the US government. Mr. Speaker, if you were sitting there at the men's club, would you start throwing buns right about this time? Did the Treasurer actually walk out of that place after making these comments?

Of course, he always has some saving factor in the speech. He goes on to say: "I know it is easy to criticize other governments, to insist that they should cut spending. I cannot tell the federal Minister of Finance where he should cut spending. What I can do is provide an example of fiscal responsibility."

What would we do without the Treasurer, the Premier and Ontario? Can you imagine, Mr. Speaker? This government has had deficits every year since 1971, but that does not contribute to inflation. Saskatchewan, Quebec, the feds, the US, they are villains; but not the boys here in Ontario. That is what he is trying to tell the men's club in Ottawa.

8:40 p.m.

Mr. Piché: Before you go on, Albert, you are holding two jobs. You are doing well.

Mr. Roy: Did I wake my friend up? I thought I put him back to sleep. Mr. Speaker, can I move to send him back to the cafeteria? Can I do that?

Of course, to give credence to these words one has to quote someone in the press. My colleague the member for Renfrew North (Mr. Conway) was quoting the press. There is very little press in all of Canada and all of Ontario,

including the Toronto Sun, that was favourable to anything in his budget. So he goes to find some press—W. A. Wilson, writing in the Winnipeg Free Press. He has to go away out there to get some press.

Mr. Speaker, if you were in front of a men's club and you wanted to give punch to your speech, you would be quoting the Toronto Sun or Claire Hoy; you would be quoting the Toronto Star, which was very supportive in the last election. But no, sir, he was quoting the Winnipeg Free Press and W. A. Wilson.

Hon. Mr. McMurtry: What are you doing here on a Monday?

Mr. Roy: I thought we had paired and the Attorney General had said he would leave this place and not come back for a couple of days. That is why I thought I would return early.

The record should show that on Monday night at 8:45 the Attorney General walked into the House and sat in his seat. That is the first time all week. That is right. Did they let him out of the courts? May I proceed, Mr. Speaker? I was just finishing a speech.

If I was trying to give this speech to the Men's Canadian Club of Ottawa I would have filed it. I would have just put out a press release and run out of the place. I would not have the audacity to give this sort of speech to the Men's Canadian Club of Ottawa. Let me proceed, Mr. Speaker.

The Deputy Speaker: Have I interrupted?

Mr. Roy: Yes. I am just starting to get revved up a little bit here. We are talking about money, and the government wants money until October 31, 1981. I am very apprehensive and leery about giving him carte blanche, I will tell you, Mr. Speaker. That is what the issue is. It is fiscal responsibility. May I proceed?

He goes on to say: "Deficits, excess spending, high interest rates—all contribute to an inflation psychology." But he is not talking about Ontario. We have a \$1-billion deficit, but we are not talking about Ontario, it is fiscally responsible. Spending on such things as \$100 million to a pulp and paper plant, more than \$100 million in the program to entice companies to locate in Ontario, that is not excess spending, because we in Ontario are fiscally responsible.

He says: "Irresponsible fiscal policies which result in soaring interest rates hurt people directly." I ask my friends, what is this government doing about soaring interest rates? What is it doing about inflation other than adding on and trying to take advantage of it, trying to profit from inflation.

Then he ends by saying: "When asked to describe the budget in one word, I choose 'responsible'." Do members remember that he said this at the beginning? It was no Ted Sorensen who wrote this piece for the Treasurer. He ends the same way as he started.

"When asked to describe this budget in one word, I choose 'responsible'," he said to the Men's Canadian Club of Ottawa, and "I am not about to change my opinion." Then he walked out. Did he really get away with reading this thing? I do not believe that they let him walk out of the place. Did they give him lunch before he made this speech?

Hon. F. S. Miller: Yes.

Mr. Roy: Was he able to keep his lunch down while giving this speech?

What is it about the Treasurer? He has that air of candour, of frankness about him and yet, in giving this speech, it is that used car salesman/Santa Claus combination that seems to be coming out.

Mr. Martel: Santa's Village taught him that.

Mr. Roy: Something. He is trying to get the people of Ontario to swallow this stuff. Imagine the Treasurer, of all people, giving that sort of a speech. Do members remember that when Darcy McKeough was in trouble in this House he used to shout all over the place? Even Darcy would not have tried to shout this piece through to the Men's Canadian Club of Ottawa. It is the old line and the big lie that if one keeps saying it often enough, people will believe it. It is the old thing they have been giving them.

I could take up more time and talk about all these editorialists in respectable papers who are talking about this budget and what they were saying.

I look at what the Treasurer has said. Does he know what it reminds me of? It is like when young kids say: "Your poo stinks and mine doesn't." It is like that sort of thing. "Your deficit causes inflation, ours doesn't." It is that sort of stuff. "Ha, ha! We are getting away with it."

The Deputy Speaker: Mr. Roy, I think we are diverting from the resolution. I would say the act should be cleaned up a bit.

Mr. Roy: Everybody else smells but the Treasurer, is what he is trying to tell us here with this budget.

Let us look at what the Globe and Mail had to say about this budget. I just want to read a few lines; not what I or the terrible opposition is saying about this budget, but what a responsible

paper has to say. He could hardly accuse the Globe and Mail of being irresponsible or of being too Liberal. He could hardly say that.

The Globe and Mail headline says, "That Miller Budget." We can sense the frustration. That is the headline. It says: "After the sugar, the nasty medicine, and last night Frank Miller ladled a hefty dose down the gullets of the Ontario taxpayers."

Hon. F. S. Miller: Something you should know something about.

Mr. Roy: The Treasurer was not reading that editorial in front of the Men's Canadian Club of Ottawa on June 10. It goes on to say: "They had the desired effect—'the realities of March 19,' as William Davis likes to describe the return of the Tories. . ."

That is what the folks get: the realities of March 19. They go on to say: "Last year at budget time Mr. Miller cleared his throat at budget time and said, er, ah, there would be 'a pause in our deficit reduction strategy'—that is, his deficit would increase rather than decrease. Last night in the Legislature, he was back at the same stand. His budget speech simultaneously announced yet another jump in the size of the deficit [and] produced an estimate that by 1984 it will still be no lower than \$700 million."

Where are we going? We were talking about a balanced budget in 1980. In 1984, we will still be looking at a deficit of \$700 million. The editorial adds that the Treasurer "wound up with the grand declaration: 'Mr. Speaker, it maintains the province's commitment to balance the budget.'" That is what the Globe and Mail says.

He keeps repeating the same words, the same things, and expects people to swallow them.

The famous quote goes on to say: "Just so are the Blue Jays committed to winning the American League pennant. We may have to wait a while." Well, we may have to wait a while before we see the fiscal responsibility the Treasurer tells us about in this budget.

8:50 p.m.

I am sure he did not remind the Men's Canadian Club of Ottawa of the editorial in the Ottawa Citizen of May 20, 1981, talking about the "inflation scam." If I said something like that, he would say I was being partisan, narrow and parochial. But that is what the Ottawa Citizen is saying; it also says: "Ontario's latest budget is further proof that governments generally cannot, or will not, do anything about inflation and high interest rates." That is what the Citizen is saying.

The Treasurer keeps saying to the Men's Canadian Club of Ottawa that his budget is doing something about inflation. He is the only one who thinks that. He is still going the wrong way on the old track and expecting people to swallow this stuff.

I thought the Citizen said something very appropriate—I say this to my colleagues—when it said, "That's the only bright spot in an otherwise bleak budget. Ontario's weak economy has caught up with us, but we were warned." We were warned, it says. "A certain politician nicknamed Dr. No by his Tory opponents"—Mr. Speaker, remember during the election this name being used about our leader?—"told us in the last election campaign that Ontario's economy was performing below par, and we had to turn things around before we got into further economic trouble."

Remember that, Mr. Speaker? Remember the Liberal leader saying that during the election? You did not believe him. I suppose you were going around your riding calling him Dr. No and saying he was negative. Do you not feel badly about doing that now? Maybe the Treasurer does not, but I am sure you do, Mr. Speaker, after seeing what is happening.

The editorial goes on to say, "Pooh-pooh, said Premier William Davis." I am using that word again. I apologize for that, but I am reading from the editorial. "Stuart Smith is being too negative." That is what he was saying then. "There is nothing wrong with the economy of this province." That is what they were telling us prior to March 19. "Nothing at all—nothing that cannot be fixed by hitching revenues to inflation and jockeying the consumer around a little bit." The Treasurer was not bragging about that to the Men's Canadian Club of Ottawa. That is what his budget is doing.

I could go on and read more editorials, such as one from the Globe and Mail entitled "Realities of March 19."

We have the Treasurer going to Ottawa, in the light of all the evidence I have presented, and he is still trying to put forward the idea that somehow the government is being fiscally responsible in this province and his budget is not causing or taking advantage of inflation.

In the light of all the evidence, everybody else is misguided but the Treasurer. It is the old game where, to hide what is happening, he attacks everybody. He did not miss anybody. How come he did not attack the government of Mexico or maybe the government of Cuba? There is somewhere else on the continent he

must surely have missed that has worse budgets than this. He attacks Ronald Reagan, Saskatchewan, Quebec—everybody else is fiscally irresponsible but the Treasurer.

You can understand, Mr. Speaker, why my colleagues and I have some reluctance on voting a resolution and giving these people carte blanche until October 31, 1981. These same people told us one thing prior to the election, yet performed otherwise after the election. Even after doing it to us, they were going around the province telling us what a great thing they are doing for the people of Ontario.

We in this party will continue to fight with every ounce of strength we have to oppose such measures. Possibly what we are doing and saying is irrelevant. If nothing else, it is therapeutic for those of us who are participating. We will not be a party to this fiscal irresponsibility, and we will use every weapon at our disposal to make sure the Ontario public sees this government as being what it is: hypocritical, cynical and not keeping its promise to the people of Ontario.

Mr. Wildman: Mr. Speaker, if the resolution this evening has one good aspect from the Conservative point of view, it is that it gives the Minister of Revenue (Mr. Ashe) the night off. The minister does not have to sit here, as he has done over the last few weeks, and listen to the opposition oppose the tax measures this Treasurer introduced in his budget.

As the member for Ottawa East mentioned, it seems a little unfair, at least to the Minister of Revenue, to have the Treasurer introduce a budget, put forward a fiscal plan for the province and then leave and not have to listen to any of the criticism and not have to respond in any way. He can simply give a budget statement and leave it to one of his colleagues to have to carry through the measures he introduced.

It is interesting that when one analyses the debate on the tax bill, one will find that even the Minister of Revenue—I see he is coming into the House now.

Hon. Mr. Ashe: That was a long, drawn-out one. It was more comfortable out there.

Mr. Wildman: We just thought we were giving the minister a little time off, that he did not have to come in and listen to this debate, because we understand the argument used by the government is that the Treasurer makes the policy decisions and the Minister of Revenue is really a collection agent, an errand boy.

It is unfair to have all these policy arguments

on a simple collection of the revenue the Treasurer has decided must be collected. I am sure the government understands we have to have some opportunity to express our disapproval of the various tax measures introduced in the budget. Since there is no really concerted budget debate in the sense that it goes on and is brought to a vote near the time the budget is introduced, we must have these policy debates on the various tax measures.

As I was saying when the Minister of Revenue entered the House, it is interesting, when one looks at those debates, that we do not get even from the minister a real defence of the tax measures. Basically all he says is: "This is what the Treasurer has decided and this is what I am to do as Minister of Revenue. Therefore, I am going to collect it."

I suppose we might be able to engage the Minister of Revenue in a debate on whether the exact details of the administration of these tax measures are adequate, but that is all he wants to talk about. He does not want to talk about the policy; that is set by his colleague—

Hon. Mr. Ashe: I will talk about anything you want to talk about any time.

Mr. Wildman: We certainly can in this debate. In this debate the government is asking for interim supply until the end of October.

Mr. Grande: He is just a tax collector.

Mr. Wildman: I do not think he debates that. The Minister of Revenue is a tax collector. We do not disagree with that. It is unfortunate, though, that we have not had any debate from anyone on that side of the House in defence of the budget or the fiscal policy of the government.

We have the Treasurer's statement, and that is it—nothing else. None of the back-benchers on that side has spoken in the debates on any of the tax measures. Not one of them has got up and defended those tax measures. I am not even asking them to get up and argue against it; I do not expect them to be opposed to the fiscal policy as enunciated by the Treasurer. I am not even asking for that. But we have not had anyone on that side of the House get up and defend the various taxes that were introduced.

9 p.m.

I do not understand it. If it is a good policy, if it is a policy that is going to benefit the economy of this province, surely the back-bench members of the government party can defend it. But they do not say anything.

We have all looked forward to the maiden

speeches of the various members in the back row over there. We have heard some of them speak; others have yet to speak.

Mr. Roy: Not one has spoken on this budget.

Mr. Wildman: Some of them have spoken on the budget, but not one of them has talked on the tax bill. They just do not want to align themselves. At one point it looked as if the member for Cochrane North (Mr. Piché), who I notice has just stepped out, was going to speak. He did get up and agree with the member for Lake Nipigon (Mr. Stokes). He said he agreed with everything he was saying about the cost of gasoline in northern Ontario.

The member for Lake Nipigon sat down and said, "All right, if you want to make a statement, go ahead." He did speak for about five minutes, I believe, on something that was approximating a point of order, but he did not really make it clear whether he was agreeing or disagreeing with the policy of the government.

The member for Cochrane North was all in agreement with the member for Lake Nipigon. I certainly understand that, because if anyone knows the difficulties facing people in northern Ontario it is the member for Lake Nipigon. But he was unable to take the step of saying, "I agree with the member and therefore I must reject the policy that would increase the cost of gasoline for people in northern Ontario." He also was unable to say why he was not going to reject that policy.

Anyway, I hope there will be an opportunity during this debate for us to get a response from the Treasurer. When he gets up to respond, I hope he will be able to say why his fiscal policy is going to benefit the province, and not just make the general happy statements he made in the budget where he glossed over so much and really did not say a lot. But maybe we will get some analysis tonight and we will understand how this government is going to benefit the province.

We cannot accept the fiscal policy of this government because, in our view, it is most unfair and inequitable.

Mr. Rotenberg: We have heard that speech already.

Mr. Wildman: The honourable member has heard it many times, I think, from the people on this side of the House.

Mr. Grande: Get up, David, and let us hear you speak.

Mr. Charlton: Let us hear yours.

Mr. Wildman: All we have been asking is for someone over there to get up and tell us we are wrong.

Mr. Rotenberg: If you would stop speaking, you would have a chance to hear the Minister of Revenue speak.

Mr. Wildman: That is not true, Mr. Speaker. That is really not true. I do not like to accuse another member of not saying exactly the truth, but the fact is that he keeps saying if we would stop talking they would get up and speak.

Mr. Rotenberg: I didn't say that. I said the Minister of Revenue would get up.

The Acting Speaker (Mr. Cousens): Order.

Mr. Wildman: We are willing to sit down if the member can say that he is going to get up and defend this government; but I know he will not. I know if we were to sit down, he would say, "All right, Mr. Minister, get up." That would be fine if the minister would get up and say, "All right, I am going to respond to what has been said in this House about"—

Mr. Rotenberg: Give him a chance to speak. We happen to agree with our own Treasurer.

Mr. Grande: You have to agree. You have no choice.

Mr. Wildman: Mr. Speaker, did the member opposite say he has to agree?

The Acting Speaker: I asked for order, and I want order right now. Will the member for Algoma carry on?

Mr. Wildman: Thank you, Mr. Speaker. I agree we need order, and we need an orderly approach to the fiscal arrangements in this province.

What is unfortunate about this budget, as I was saying before the other members decided to join in the debate, is that it was not fair, that it increases the taxes of those least able to pay and it exempts those institutions in our society that in our view are well able to pay.

I want to talk generally about what this government is doing. In his budget statement, the Treasurer (Mr. F. S. Miller) said this province had experienced rather sluggish growth over the last year—I think the phrase he used was "somewhat sluggish." When one considers a number of facts it is a real understatement. The Treasurer has proved himself to be a master of understatement. When one realizes we have 292,000 people out of work in Ontario right now, that real economic growth over the last three years has been 0.9 per cent, that really is sluggish; no one can debate that.

The Treasurer also made a profound statement in his budget address when he said, "When the economic growth slows, it adversely affects the revenue this government gets." That certainly is an obvious statement; nobody can disagree with that. If there is slow growth, it does adversely affect the revenue this government gets.

But what is that somewhat sluggish situation? We know that about 3,600 workers were laid off in the first three months of this year; we have had 23 plants shut down permanently; 46 have been partially closed. The Treasurer in his budget statement said the province would create 106,000 new jobs this year—

Mr. Rotenberg: How many new jobs have we got so far?

Mr. Wildman: He said 106,000 would be created, and he made a somewhat oblique reference to the BILD program. What is that again?—the Board of Industrial Leadership and Development—

Mr. Eakins: That's B-I-L-D-G-E.

Mr. Wildman: Bilge; okay, that certainly fits, because when one goes to those you think would be the friends of the government and asks them what they think of this proposal of 106,000 new jobs that are going to be created in Ontario, the Canadian Imperial Bank of Commerce says it does not think those jobs will materialize; it does not think the Treasurer is right.

The government last year said 59,000 jobs were going to be created in Ontario, and they were pretty close; about 57,000 were actually created. But the bank doesn't think the government is right on this one; it doesn't think that many jobs will be created. But even if the government does—well, I shouldn't say "even if the government does," because that is not really what the government was saying; it was saying there would be 106,000 new jobs this year—it would not be through government action necessarily, and most likely it would not be, because there was almost nothing in the budget that was a direct job creation program other than Darlington.

That raises all kinds of questions about the overproduction of electricity in this province. In another incarnation the member for Durham West (Mr. Ashe) made a number of statements about what he thought about the creation of jobs and economic growth through the expansion of the electrification of this province and the nuclear industry. The Minister of Energy (Mr. Welch) at that time rejected that, or said he

did not have anything to do with the idea, that it certainly was not a trial balloon the parliamentary assistant was floating at the time and it really had nothing to do with the Ministry of Energy, that the honourable member opposite was just commenting through his wide knowledge of the nuclear industry and putting forward some new ideas—

Hon. Mr. Ashe: I am just away ahead of my time.

Mr. Wildman: Away ahead of his time. We find that he really was not that far ahead, if we want to use that term, because it now appears that the Minister of Energy is putting forward the same kinds of views to various people in the province. Perhaps he is doing so just through the reason of the comments of the Minister of Revenue (Mr. Ashe), who has been twisting the Minister of Energy's arm behind the scenes. Maybe that is what has happened. Perhaps the Minister of Revenue is really the power behind the throne over there. Perhaps he is the one who really calls the shots. Maybe that is what is happening. Maybe that is why we have seen the Minister of Energy move so far from the comments he made.

9:10 p.m.

We on this side felt very sorry for the minister when he was the parliamentary assistant. We really felt that the Minister of Energy had hung him out to dry. He put him out there, he made a statement, and when the statement did not go over very well he was repudiated. There he was, left out there on his own, swinging in the wind. But now it appears he really was not left out there; he knew more about what was going on than the minister admitted. Perhaps he was not just putting forward some view of his own and he was away ahead of his time. Perhaps he was really putting forward the view of the ministry, but the ministry at that time did not want to admit it.

So we now come to the situation where in this budget statement the only job creation program that the government is proposing is to speed up Darlington. The fact that we already have overproduction of electricity and so on does not matter, because apparently the Ministry of Energy is ready to move to change the act to allow for export as the central purpose of the creation of a new plant.

Other than that, there is nothing to create employment in the budget. The 106,000 new jobs talked about are going to be created largely, as far as we can see, through the private

sector, according to the minister's statement. There is some talk about BILD—I will not call it bilge, as my colleague suggested—

Mr. Rotenberg: How come unemployment is our fault? How come we don't get credit for the good things we do?

The Acting Speaker: Order.

Mr. Wildman: Mr. Speaker, I am happy to have a member from the other side participate in this debate. I would like him, as I said before, to get up and speak on this resolution.

At any rate, if I could be permitted to respond, I might be prepared on some occasions to blame this government for unemployment, but I must admit that in this speech tonight I was not. What I was blaming it for was the fact that it was not doing anything about unemployment. There is nothing in the budget statement that says it will. Even if the 106,000 new jobs that the minister talks about in his budget statement are indeed created this year, with the growth in the work force we are still going to have 295,000 people unemployed.

That is a tremendous prediction. That is something we should really be proud of in Ontario. Even if we produce these new jobs, we are going to have 295,000 people unemployed. Tonight the government is asking us to give it the money to continue these kinds of policies that are going to result in 295,000 people unemployed. It wants us to agree to that approach to the economy of this province, to the continued sluggish growth.

I admit that some economists have said they are surprised at the growth rate this year, that in fact it might not be quite as slow as it has been in the past. They are upgrading their predictions and they are saying that things might be a little better this year. But really, when one considers that we have had a real growth rate of 0.9 per cent, one does not have to go up very much to be a lot better than we have been in the past.

It is funny—I should not say it is funny; actually it is rather sad—that in this budget statement the government this spring made only passing reference to inflation. They have made a lot in the past of their record in the so-called restraint program that the Treasurer was famous for, or should I say infamous for, when he was Minister of Health. He used to go around saying he was going to break the back of inflation by closing down hospital beds. He was going to resolve what he considered to be an unmanageable deficit. He was going to bring about a balanced budget.

Darcy McKeough was also talking in terms of a balanced budget. The Treasurer was his front runner, the man in the trenches who was cutting down hospital beds and who was going to cut the budget.

In this budget statement the Treasurer only makes a passing reference to it. He hardly mentions it. Only in one sentence of the whole budget statement does he say he is concerned about inflation. I am glad he is concerned. He is probably taking a page out of the book of the Minister of Labour (Mr. Elgie), who is noted for his concern. He is known to be a concerned man whom we have asked to bring in his omnibus concern bill in the near future so we would know all his concerns. But that is all the Treasurer says, that he is concerned about inflation.

The Treasurer admits wages have lagged behind growth in the cost of living over the last three years. I found that to be an interesting admission, considering what the Liberal government in Ottawa has been saying. Prime Minister Trudeau has been claiming real wages have gone up in the last decade and that things are really better than they have ever been, that when people are concerned about the loss of buying power of the dollar and the loss of value of wages, they are really crying in the wind.

This Treasurer does not say that. He admits buying power has gone down. Over the last three years, wage earners have dropped in their buying power because they have lagged behind inflation. After saying that, he only says he is concerned about inflation. There is nothing in the budget that reacts or provides positive attempts to bring about growth. If we are going to fight inflation, we believe we must have real economic growth. We have to create new wealth in this province, but there is no real attempt at that.

Instead, the Treasurer went on in his budget to increase tax rates to the highest levels in Canada. I know the Treasurer likes to maintain the myth that we are the second lowest taxed or third lowest taxed in the country in terms of provinces. He talks about 48 per cent of the federal tax payable.

Hon. Mr. Ashe: Forty-six per cent this year.

Mr. Wildman: Forty-six per cent and then 48 per cent next year, going up from 44 per cent.

As has been said many times in this House, that is a convenient way of dealing with what the people of this province actually pay. He is

forgetting about and is ignoring the health care tax. Of course, in this province we do not call it a health care tax; we call it a premium.

Mr. Rotenberg: That's what it is.

Mr. Wildman: I have to admit it is a premium in the sense that everybody pays the same. It has no relationship whatever to what an individual or a family can afford. When one adds the 15 per cent increase in the so-called premium for the Ontario health insurance plan to the nine per cent increase in income tax, one ends up with a situation where a family of four earning \$15,000 does not pay 48 per cent or 46 per cent of the federal tax payable; in fact, it pays 80 per cent.

The government likes to talk about the fact it has responded to the cries for a progressive tax system. When we take into account both OHIP and income tax and we look at the other levels of taxation in terms of income, a family of four earning \$20,000 pays about 65 per cent of the federal tax payable while a family earning \$25,000 pays about 60 per cent. What happens is that those who make more are going down in the percentage of federal tax payable to the province. The more one makes, the less one pays.

9:20 p.m.

Mr. Rotenberg: That is nonsense. The less one makes, the less one pays. The member is talking percentages.

Mr. Wildman: All right. We will admit that small group at the bottom of the scale that makes less than \$8,000 a year gets premium assistance, if they know about it.

Mr. Rotenberg: If a man makes \$15,000, he pays less than the man who makes \$25,000.

Mr. Cassidy: He pays the same OHIP premiums, and that is the trouble with this government.

Mr. Rotenberg: The member is talking percentages.

Mr. Wildman: Okay, but he is making a lot less in absolute dollars too. When a man is making \$15,000, 80 per cent of the federal tax payable is an awfully big chunk, and it is a lot more than someone making \$25,000 is paying when he pays 60 per cent of the federal tax payable.

Mr. Rotenberg: Not when his federal tax is so much lower.

Mr. Cassidy: What is wrong? Is the member for Wilson Heights feeling upset about the budget?

Mr. Rotenberg: I think it is a great budget.

Mr. Foulds: The member should vote against it. He might get a promotion that way.

The Acting Speaker: Please stop the interruptions. Carry on, Mr. Wildman.

Mr. Wildman: To please the member for Wilson Heights, I will deal with it in different terms. I will not deal with it in terms of OHIP premiums and the income tax and what percentage of the federal tax is payable. I will just talk about the OHIP premiums. When one considers OHIP, the honourable member cannot argue with the fact that no matter what one makes in the province, one pays the same premium, except for the very small group at the bottom of the scale.

Mr. Foulds: And less than 10 per cent of those eligible apply for it.

Mr. Wildman: There is an echo over there. At any rate, as I said, if one makes \$15,000 a year, I do not think the member can argue that one pays the same amount of OHIP premiums in a year as does someone who makes \$25,000 a year.

Mr. Kolyn: How many do not pay anything?

Mr. Foulds: How many? The member opposite should tell us.

Mr. Wildman: Very few; less than one third of those eligible for OHIP assistance, get it. I suppose the honourable member is referring to those people who have negotiated agreements with their employer in industry and their employer pays the OHIP premium. But we all know that is part of the benefit package negotiated; we all know the worker is paying for that in the sense that he has given up that amount of money in his total package so that it can be paid into his OHIP premiums. To argue that the person working in industry whose employer pays the premium directly is not paying for it himself is fallacious.

Mr. Rotenberg: What about the senior citizens? They do not pay.

Mr. Wildman: Is the member suggesting they should?

Mr. Rotenberg: No.

Mr. Wildman: The reason the member opposite is having difficulty is because he is trying to defend an indefensible system. Although the government professes to believe in a progressive system of taxation where the more one makes, the more one pays, and the less one makes, the less one pays, the fact is it has a major tax—the OHIP premium, the health care tax—where everybody pays the same, except for senior citizens and those people at the bottom of the scale, those few who know about the premium assistance and get it. Everyone else pays the same, and it is far too much.

Mr. Rotenberg: Everybody pays the same on the liquor tax. Why not pick on the liquor tax or tobacco tax?

Mr. Wildman: The member opposite is now trying to argue that sales taxes in general are somehow progressive, when everyone should realize that sales taxes of any kind are regressive. To say that everybody paying the same OHIP premium is like everybody paying the same sales taxes is quite right; they are both regressive; they have nothing to do with ability to pay. The member is getting himself further and further into a hole, because he is trying to defend something that is regressive.

I think it is quite normal for this government to defend something that is regressive, because that is its whole approach. But it will not work. The fact is they have to admit that in a system where everyone pays the same no matter how much he makes, the middle-income people, and the people who are not necessarily at the poverty level but just above that, are paying too much. They are paying disproportionately more than they should be paying if we were to have a truly progressive system.

It has been recognized in most of the country. Only three provinces have premiums for health care. The rest have eliminated them. They pay for their health system through general revenues, which we think is the way it should be paid for. In those provinces where they do still have premiums, those premiums are far less than they are in Ontario. This government will not listen.

What bothers me about this particular issue is the recent statements by the Minister of Health (Mr. Timbrell). We realize that in the last number of weeks the federal government has been making a number of statements about the fact that it wants to decrease its contribution for social and health services across the province, its contribution to shared-cost programs, to the established programs, by approximately \$1 billion.

What is the response of this government? To go back a little bit in history, we could point out that this government has not been spending to the levels to which it could be spending when one considers the revenue it is getting from the federal government. They have been cutting back more on their share than they should have been if they were going to maintain the spending levels that had been agreed to before the block funding came in. That is the reason the federal government is now talking about decreasing its contribution, because it does not have any say

over how it is spent. It feels its share of those programs is going up while the province's is either staying the same or dropping.

We in this party want to make it clear that we are opposed to the approach of both governments, the provincial government in Ontario and the federal government in Ottawa, because in essence what both governments are talking about is decreasing their contributions to health and social services in this country. We cannot accept that because that basically hurts the sick, hurts those people who are the most vulnerable in our society. So we reject the approach of both the federal Liberal government and the provincial Conservative government on this score.

But what really concerns me is the response of the Minister of Health in this province late last week in a speech he made in relation to the comments made by his counterpart in Ottawa, Monique Bégin. He said that if the federal government decreases its contribution to health care in this province, I think the words he used were, "the people of the province will have to pay more." What he was talking about, as far as I can understand it, was one of two things: either he is going to increase the premiums even more, which is bad, or he is talking about deterrent fees, which is even worse.

This government is going to start a policy where a patient will have to pay the doctor directly for each service. In other words, he is looking at institutionalizing extra billing. That is what this government is talking about. So when the member tries to defend a regressive system I can understand it; he is talking about a regressive government, a government that has regressive policies and a regressive philosophy.

Mr. Rotenberg: That is not the way the people see it.

Mr. Wildman: It is true this government won a majority. We cannot deny that; we have to sit and face it every day.

Interjection.

9:30 p.m.

Mr. Wildman: That is right. I wonder if the Conservative Party ran on a policy of increasing OHIP premiums. Did they run on that policy? Did they say, "Vote for us and we will raise your OHIP premiums by \$72"? Did they say, "Give us a majority and we will raise income taxes"? Did they say, "Give us a majority and we will increase sales taxes and change the system of sales taxes on liquor and tobacco and gasoline"?

An hon. member: We said we would give responsible government.

Mr. Wildman: They said, "Responsible government." I have always understood responsibility to mean that when you say something, you do it.

Hon. Mr. Ashe: That sometimes means tough decisions.

Interjections.

The Acting Speaker: Order. Order. Order.

Mr. Wildman: Mr. Speaker, I have always understood responsibility to mean that when you say something, you do it. That is what I have understood responsibility to mean. So if this government is talking about responsible government—

Mr. Rotenberg: That is why you have never been responsible.

Mr. Wildman: Does the member mean responsibility is not to say something and then to do it?

Mr. Rotenberg: No, I said that is why you have never been able to be responsible; you never do what you say.

The Acting Speaker: I am in the chair and I have asked for order. I have asked for it a number of times and I am really very concerned that you can't hear me over there. I have asked for order. Please give attention to Mr. Wildman.

Mr. Wildman: Mr. Speaker, you are most helpful, but I really wouldn't want to deprive Hansard of the pearls of wisdom from the member for Wilson Heights.

The last comment he made was one of the better ones I have ever heard him make.

That member says I don't understand what responsible government is because I don't do what I say I am going to do. I think that was the point of what he was saying. I would like him to relate that to his own government. If a party runs on the basis that it is going to maintain low tax levels and it is not going to increase taxes, and then after it wins a majority it does in fact increase taxes, how does that square with the comments made by the member for Wilson Heights? Is that responsibility? I don't think so.

Mr. Philip: That is hypocrisy.

Mr. Wildman: The Minister of Revenue, who wasn't in his seat but made the comment that he is in favour of responsible government and who said this budget is a responsible document, is ignoring the fact that this government doesn't have the guts to run on what it is actually going to do. It would rather run on a different program and then turn around and do the opposite after it has won a majority.

In my view, Mr. Speaker, that is not responsibility. As my colleague says, that is hypocrisy.

An hon. member: Shame.

Mr. Wildman: Certainly, shame. I agree with the member who is not in his own seat who says "Shame." I agree with him. It is a shame.

The other thing in relation to inflation that the budget did not refer to at all was the present crisis we face with interest rates. We are now in a situation where the prime rate is over 19 per cent. It has moderated or dropped slightly in the last week—a few decimal points—but this government did not make clear at all in its budget what the government's position was on the federal policy of high interest rates. The government has made a few vague statements recently about assistance to farmers because of the number of bankruptcies that they face, but it hasn't said anything at all about what it would do, if anything, for small business, which is in the same bind as the farm community.

Mr. Riddell: They haven't said what they will do for the farmers.

Mr. Wildman: That's right. They have been very vague. They have said it might be interest assistance; it might be a direct grant of some sort in terms of certain costs for the hog producers and the beef producers; it might be something for feed. It might be a number of things, but the government doesn't say what and it hasn't said anything about small business. As a matter of fact, there has been absolutely nothing from that government about interest rates and how they affect home owners.

Mr. Brandt: Talk to the feds about that.

Mr. Wildman: I am glad the member interjected that. That is the comment that is always made by this government: "Talk to the feds." That really is responsible government. When they do not have a solution, when they do not know what to do, when they do not want to do anything, they say: "Do not talk to us. Go talk to somebody else." That is responsibility. It is a different kind of responsibility than what I was taught, but that is the approach of this government.

Mr. Philip: They are like a bunch of promiscuous does: always passing the buck.

Mr. Rotenberg: Mr. Speaker, might I inquire why you do not call the member for Etobicoke (Mr. Philip) to order? You called me to order.

Mr. Cassidy: He withdraws the word "doe."

The Acting Speaker: Order. The member for Algoma has the floor.

Mr. Wildman: To be fair, he is not a promiscuous doe.

There is absolutely no statement in the

budget at all about the high cost of housing. When one considers it costs \$100,000 for a new home in Toronto, or more than that—

Mr. Rotenberg: Some are lower.

Mr. Wildman: Certainly some are lower. But the costs are very high and escalating, and there is not a statement in the budget about it. I notice the member does not interject on this score and say to talk to Ottawa. They do not even say that in terms of the cost of housing. They say absolutely nothing.

The Minister of Housing (Mr. Bennett) when queried about this in the House has an interesting approach. He says one should move to the outskirts if one cannot afford a house in the downtown area. That is why he is attempting to develop so much farm land: he wants to build on the outskirts so people can move out there.

Mr. Foulds: Actually, there is some accommodation at Minaki that might be available.

Mr. Piché: That is going to be good for northern Ontario. I wouldn't talk like that if I were you. Especially being from Thunder Bay, you should know better.

Mr. Foulds: Minaki is the biggest white elephant you guys have got involved in.

The Acting Speaker: Order. Will the member for Algoma carry on?

Mr. Wildman: We know the member for Cochrane North ran on the program of a Minaki in every pot. He wants a Minaki in every riding in northern Ontario.

The member for Cochrane North always is very helpful in these debates. I wonder why, instead of saying, "Let us build more Minakis," he is not saying to the Treasurer, "Let us do something about the cost of housing." He should say: "Let us do something about the speculation in housing. Let us do something about the foreign money that is coming in to buy up real estate and speculating. Let us do something about the money from western Canada that is coming into Ontario and buying up land and forcing up the price." He is not saying anything about that. He is saying, "Let us have a Minaki in every riding in northern Ontario."

Mr. Piché: No. I never said that.

Mr. Wildman: Is that member going to move the Ontario Northland Railway up to Kapuskasing from North Bay? Has he talked to the member for Nipissing (Mr. Harris) about that?

There was not anything in the budget about foreign money buying real estate in this province, mainly because this government wants to

continue its policy of attracting as much foreign investment as possible. That is the whole approach. They are themselves not willing to do anything that is going to stimulate growth directly; the main ingredient is simply to attract more and more foreign investment to the province. So, of course, they could not say anything about foreign investment in real estate. But that does not help the home owners very much.

Mr. Piché: Come on, I want to go home on June 19.

Mr. Wildman: As far as I am concerned, the member can go home any time.

The problem with the foreign investment policy of the government is that it perpetuates the branch plant economy and it perpetuates the weaknesses in our economy as a result of that. The government moves to its global product mandating as a resolution. I will not go into that. We have explained on many occasions in the House why we think it is a short-sighted approach when we have an economy that is experiencing such penetration of imports in manufactured goods, an economy that could be producing jobs in this province if we were only to try a serious program of import replacement. I will not go into that at length.

9:40 p.m.

At any rate, it is interesting to look at the statements of the Treasurer in relation to his approach of attracting more investment. When he talks about incentives and how this government wants what he calls a favourable climate, a good economic climate for foreign investment, he admits in his budget statement that the incentives for research and development have failed and that they are not going to reach the federal government's objectives by 1985.

The minister seems a little unhappy to say, though, that the province cannot afford any further incentives to try to persuade the private sector to do what they have not done in the past. So he suggests that the federal government come out with new incentives, because he cannot think of anything else; he does not have any other ideas.

In our response to the budget and in the speeches we made on the budget, we suggested a number of fiscal policies that the government could institute if it wanted to raise the revenue, or more than the revenue it actually raised in the tax measures that were carried out by the Treasurer in the budget.

I would never want to be accused of being

irresponsible, as the government is wont to accuse the opposition. We did not come in here and say they should spend, spend, spend; that they should not raise funds. We said, "They should not be raising funds the way they are; they should be raising them in other areas." And we suggested a number of areas they could use.

We really do not believe it is good for the people of the province to be increasing Ontario health insurance plan premiums the way the government is, or to be increasing sales taxes, or to be instituting an ad valorem tax. We believe there are other ways of doing it, and we have suggested them.

I will not repeat them here, except to point out the one thing that really is important to us as a party that believes we should be building on the strengths we have in this province, the resource base we have in this province.

We suggest that this government should move towards the levels accruing to the province of Saskatchewan in resource revenues, where they collect about 5.5 times as much revenue from the resource sector—the metal and nonmetal resources, excluding petroleum—than they do in this province. They could be collecting about \$450 million more.

The government's tax measures in the budget that the Minister of Revenue is having to try to defend—other than OHIP, of course; the government never has to defend OHIP increases, because they do not have to come to the Legislature—would increase the revenue by only \$603 million. In one area they could be getting more than half of that revenue, and we gave them a number of other options.

We think the government should be moving in those directions and using the revenue it gets to move directly into the economy to provide jobs and real job creation in areas where we have a great deal of import penetration, in areas where we will be vulnerable if we do not move directly and decisively to develop new technologies and new industries.

We want to create growth. The government is always accusing us of just talking about expenditures. In fact, we think the government should be directly and positively involved in the creation of new wealth in this province. But no, this government leaves all that to the private sector. This government believes that somehow, through tax incentives, grants and so on, the private sector is suddenly going to change and do what it has not done in the past; that economic growth will suddenly flourish, that we will be moving ahead, that somehow things will be different.

We think we should not leave it simply to the other guy to do it. We think it is our responsibility as representatives elected to respond to the needs of the province to propose measures and that it is the government's responsibility to institute measures that would produce jobs and economic growth in this province.

Mr. Jones: That is not new. You are always on that one. You just dusted off your old budget speech.

Mr. Wildman: Of course. I am not saying it is anything new. It is nothing new for this government to say: "No, we do not want to do that. It is all up to the private sector." I do not know why this government does not get off that kick. The Treasurer admitted we have had sluggish growth and too much inflation, and yet he does not suggest any positive measures to do anything about it. Instead, he wants to institute policies that are going to exacerbate the situation.

I have not talked much this evening about the ad valorem tax. We have been talking about that ad nauseam since the introduction of the bill. I wanted to spare the Treasurer the embarrassment of having to defend a policy he himself attacked in the past, of having to get up in this House and say: "All the statements we have made in the past about energy pricing and energy taxation are inoperative. They no longer apply. Now we are going to get on the bandwagon. We are going to profit. We are going to take as much as we can. The more petroleum prices go up up the better."

I hope in his response the Treasurer will make clear what the government's policy is on energy pricing and energy taxation. It would be useful not only for us in the opposition and for people of this province, but also for the federal government and the government of Alberta to know where this province stands.

Has this government abandoned its former opposition to increases in revenue from energy unless those revenues were spread and shared throughout the country or unless they were related to the cost of production? Has the government over there abandoned that policy? Have they now moved to a situation of saying: "The more gasoline prices increase the better, because it is going to mean more revenue for the province. It will help us cut a deficit, even though in the past we have said we should not use tax revenue from energy as a deficit-cutting measure"?

If they have abandoned that position, they should make clear what their position is. If they have not abandoned that position, if they want

to maintain that they are still in that policy stance, could they please explain what on earth they are doing by introducing an ad valorem tax that flies in the face of the statements this government has made in the past?

We believe this province has a great deal of potential. We have the material and human resources to build an economy that is self-reliant, that can produce the wealth we need to provide the jobs we need. The share of that wealth going to the public sector could then be used to provide the social equity we believe the people of this province want and need.

We believe that health care, for instance, should be funded according to need, and not according to some arbitrary figure set by the government. That can be done if the government takes a positive approach to the economy of this province. This government should at least be freezing OHIP premiums, if not abolishing them or moving to eliminate them over a period of time. The government should not now be increasing them, going in the wrong direction; it should not now be out of step with the rest of the country. Why can this government not accept that user fees are inequitable and unfair and that we should not be talking, as the Minister of Health (Mr. Timbrell) is doing, about instituting new ones?

I hope the debate this evening on interim supply for the government until October will give the Treasurer the opportunity to respond to the questions raised by the opposition in regard to this budget and the tax measures that he introduced in that budget. I hope he will be able to explain exactly what the government's policies are in relation to energy prices, interest rates and the high cost of housing. I hope that will be done this evening.

We believe the government, if it has the will, can respond to these concerns and needs in the province. If the government had enough confidence in itself, it would move in that direction. I look forward to hearing the Treasurer's response so that we in this Legislature and the country at large will know exactly what are the policy underpinnings of the budget, if there are any.

9:50 p.m.

Mr. Conway: Mr. Speaker, at the outset I want to retract a couple of unfortunate remarks I made the other night in a spirited debate on Bill 72. A couple of my colleagues on the government side drew to my attention, as I think is their right, a not particularly appropriate reference, oblique though it may have been, to

the Minister of the Environment (Mr. Norton) on that occasion and reported on page 1473 of the June 9, 1981, Hansard.

I want to make some remarks tonight to resolution 5 standing on the Order Paper in the name of the member for Muskoka, the Treasurer: "That the Treasurer of Ontario be authorized to pay the salaries of the civil servants and other necessary payments pending the voting of supply for the period commencing June 1, 1981, and ending October 31, 1981, such payments to be charged to the proper appropriation following the voting of supply."

In my view, it is an unfortunate resolution, one to which we have become too easily accustomed. In some respects I think a good case could be made for saying that it is quite a regular affront to the parliamentary democracy of which we are supposed to be a part.

I do not in any way wish to express surprise at the reaction that might come from the cabinet benches. It is their job to run the executive branch, and I can well appreciate how some or many, as the case may be, find this House in all its legislative works a proper nuisance. The less time they are forced to spend in this place, the happier their lives are and the easier their executive functions necessarily become.

I address my remarks to those of us who have a fundamentally different role from those who sit on the Treasury bench. It seems to me that we, as a Legislature, have a responsibility to supervise the executive as best we can, to respond to it, to resist it as the case may be, if, as and when the occasion arises.

As I read this resolution, it calls for interim supply for a period of almost five full months. I find it quite extraordinary that any government in this day and age should in the first instance seek, and—regrettably, if the case should be this way—receive interim supply for that period of time.

Given the multibillion-dollar expenditures as set out and called for in the departmental estimates, that any Legislature should be in any way disposed to grant supply of that order is, as I know my friend the member for York South (Mr. MacDonald) might agree, quite extraordinary. It certainly would not be in any way, shape or form my disposition to grant supply for that period of time.

However, as the member for Sudbury East (Mr. Martel) reflected upon in an earlier intervention, it does provide honourable members with a useful and appropriate opportunity to

speak to the issues of the day as they relate to any or all aspects of government public spending.

Tonight it is my intention to begin a commentary on some of those budgetary policies and expenditures to which this supply will be directed.

I found the review by my colleague the member for Ottawa East (Mr. Roy) of the Treasurer's speech of last Wednesday to the Ottawa Men's Canadian Club to be rather interesting, since at that time the Treasurer undertook to set out his views, as were properly quoted at some length tonight by the honourable member.

I generally read the speeches of the Treasurer, and I read that one with some particular interest. I found it difficult to believe that what was being said, or at least what was printed out in that particular text, was delivered. Certainly, had it been delivered, I found it difficult to believe it could have been intended in a serious way.

My colleague the member for Ottawa East explained some of the reservations which those of us in the opposition have about that kind of speech. It seems to me that the biblical reference "Let he without sin cast the first stone" would apply to the Treasurer on that particular occasion.

Reading this document, which he very happily introduced into this House on Tuesday, May 19, 1981, I really did have to wonder whether the author and architect of this document was the same architect and author of the speech to the Ottawa Men's Canadian Club.

Some honourable members may have awakened this morning to the London Free Press, which carried a short story datelined St. Thomas, reporting rather briefly the Treasurer of Ontario's remarks to the Alma College graduating class on Saturday evening.

In the text of that particular speech by the Treasurer, as reported in this morning's London Free Press, I found the quotation, "The future may be misty, but it is not beyond your control." That is my recollection of what I read in the paper this morning. Since the London Free Press is a very accurate journal, I think that is a reasonable representation of what the Treasurer might have told his daughter and other graduates of that very fine, distinguished and historic educational institution in the heartland of our rural southwest: "The future may be misty, but it is not beyond your control."

That did not provide me with a feeling of the

hope I would like to have that this is a Treasurer who is able to cut through the mist. I did not in those few lines in this morning's paper have a feeling that he had identified much more than the mist and was like a lot of the rest of the province, wandering in a bit of a fog without any clear notion as to how, when and where we might escape from its worrisome clutches.

This budget carries a number of observations and policy commitments that I would like to touch upon briefly. I found interesting, and I commented the other night on Bill 72, when we discussed it here with the Minister of Revenue (Mr. Ashe), on the truly heinous aspects of Bill 72, the ad valorem tax, which is the essence of that particular bill.

On that occasion, I discussed something I would like to touch upon briefly. I found it somewhat contradictory that in the opening pages of this budget speech, the Treasurer—as undoubtedly all Treasurers are likely to do and as they should, I suppose—found the best possible construction to place on events. On page three, under the headline "Mini-Budget Actions Stimulate the Economy," the Treasurer goes on at some length, saying:

"The members will recall that on November 13, 1980, I introduced a \$260-million package of supplementary actions to stimulate the Ontario economy. Foremost in the program were temporary retail sales tax cuts designed to selectively impact on various troubled or important aspects of the Ontario economy. While it is too early to present a detailed analysis of the economic impact of these measures, I have already received encouraging signals of their beneficial effect." And he goes on.

10 p.m.

Let me say at the outset that I would certainly like the Treasurer to share with me, if no one else, the preliminary and final detailed analyses of those tax actions of last November. I am not quite as sanguine as the Treasurer about their short-term, intermediate or longer-term benefits, simply because I remember in 1974-75, when his illustrious predecessor, the former member for Chatham-Kent, Mr. McKeough, undertook a massive pre-election tax cut to stimulate the economy in a similar way, the detailed final analysis, as I remember it, indicated there was not a very significant long-term net benefit as far as the Ontario economy was concerned.

It may be that this Treasurer has evidence to contradict that on this occasion. I, for one,

would be particularly interested in seeing that preliminary and detailed tax impact study when it is completed.

I found it passing strange that at a later point in this particular document the Treasurer, having understandably applauded the stimulative aspects of that particular tax action in November—a mini-budget that I suspect was introduced for some political as well as other economic reasons—complains rather directly, on page 17:

“As I mentioned before, the province’s revenue needs are not being adequately met by our current tax structure. The inadequacy of revenues reflects to a considerable degree the many tax reductions implemented in recent years.”

A little later, on page 20, he complains: “I spoke earlier about my general concern with the diminished responsiveness of the revenue system.”

I may be wrong, I may be unfair, I may simply be nitpicking when I say now, as I did earlier in a previous debate on another bill, that I find those two sets of statements transparently contradictory.

On the one hand, the Treasurer wants us to give him full credit for the stimulative economic fallout from the tax actions of last fall. Then, having done that, he wants us to join him in a general complaint about the lack of responsiveness on his revenue side. As he points out, the lack of responsiveness is due largely, as he says on page 17, to the many tax reductions implemented in recent years.

I have to wonder which side of this Treasurer I am to believe in this particular respect. As I said earlier, he is a Treasurer who wishes it both ways.

Much is said in this document, and certainly much will be said over the course of the next few months, about the Board of Industrial Leadership and Development. I applaud any government that recognizes its responsibilities in the economic field to intervene selectively and, I hope, with a very positive effect. To that degree, I understand the economic reasons for BILD and do not have a general complaint about some of the broad intentions to which it directs its attention.

But I do find—and this is as good an opportunity as I suppose I will get, having said that about the Board of Industrial Leadership and Development—that there is something tragic and pathetic about what the politics of BILD have come to mean. I am glad to see some of the new members here. I listened probably as

much as or more than most old members—I am an old member now, relatively speaking—and I thought some of the new government members made some particularly interesting speeches. I thought from my chair that the new member for Leeds (Mr. Runciman), whom I do not know, made a courageous and interesting speech, and I look forward to more of his interventions.

But there was one speech made—and unfortunately the honourable member in question is not here—by the new member for Cambridge (Mr. Barlow). His counterpart in my mind in this instance is the relatively new member for Carleton (Mr. Mitchell). I think my memory serves me correctly: The new member for Cambridge got up, and I remember distinctly that much of his maiden speech in this House dealt with one of the new technological centres that was promised in BILD.

What I found so personally degrading about the politics of BILD as they were played out by this government in this last election is the pathetic environment into which they have unavoidably forced some of the government’s own new members. There sat the new member, the cheerful, spirited, bright new man from Cambridge, pleading in a sorrowful, pathetic sort of way with someone somewhere that he, and not the new member for Carleton, get this particular plum that was promised. I sat here and thought to myself, “How sorrowful; how sad is the bribe that is BILD.”

The Deputy Speaker: And I am thinking to myself that you are working your way to the resolution in front of us.

Mr. Conway: Yes. And I, sir, ask you to pronounce yourself upon the point that brings me here, and that is that since we are asked to vote on this resolution, I interpret it to mean we have scope as individual members to speak to any aspect of government expenditures that will be related to the interim supply being called for. That is my understanding of what a supply motion is all about. I cannot understand how it might be that the BILD program would not be part of that, since in this budgetary statement it is offered as the centrepiece.

Having agreed with the understanding of how and why we get government involvement in the economy in terms of stimulus, and accepting, as I have, the general direction of that sort of intervention, I wanted as part of my remarks tonight to express my personal disgust about the bribe that is BILD—a public policy that forces two honourable members such as the members

for Carleton and Cambridge to have to stand and plaintively beg that they get some kind of plum that was offered to one of them.

I know there was another case in the BILD document where St. Catharines and Chatham were offered the opportunity to have one plum. That is a twentieth-century construction on a nineteenth-century kind of politics. I feel sorry that the new member for Carleton and the new member for Cambridge will now have to grovel before whomever and beg and claw and squeal and cry and ask, "Oh Lord, let it be mine; keep the other pretender away from this subvention."

Mr. Roy: Late night visits and all.

Mr. Conway: Late night visits. To force anybody with the community standing of the new member for Carleton to that kind of degradation I find appalling. I have too much respect for the new member for Cambridge to see him here reduced to that kind of supplication; to say nothing, of course, about the general politics to which this sort of mentality speaks.

10:10 p.m.

I have to think the Premier (Mr. Davis) at the end of the campaign on the night of March 19 had an arthritic elbow, because not since the high tide of former Quebec Premier Maurice Duplessis has the parish pump been so exercised in the interest of party politics—

Mr. Wildman: Did you say "exercised" or "exorcised"?

Mr. Conway: I said "exercised." Not since the high tide of Maurice Duplessis has the parish pump of public policy been exercised with such brazen enthusiasm as was done by the leader of this government in the recent campaign.

I can accept a government that is prepared to come in and say, "If you elect a government member you might get some additional consideration." I do not particularly like it; I find it genuinely offends my democratic sensibilities. I hope I have a feeling for, an understanding for the British parliamentary system. If my colleagues over there want a kind of Brezhnev politburo system in this country, that is their due, but I happen to believe there is a place in the Ontario of 1981 for a parliamentary dialectic without this offensive, bribing politics that forces the new member for Carleton, the old member for Chatham-Kent, the new member for Cambridge and the morning radio man in St. Catharines into this kind of contest.

I know there are people over there from Mount Forest, Brockville and elsewhere for whom that kind of politics is genuinely offen-

sive. I know it is the kind of politics that certainly does not have much standing in the mind and heart of the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson). But that someone somewhere, God only knows where, would reduce the great Progressive Conservative tradition in this province to that level of degradation, to so besmirch the new member for Carleton into such a terrible conundrum, to reduce him so—I am going to follow with great interest how that particular contest works out to see who wins and, pray tell, who loses.

I mentioned earlier the new member for Leeds, for whom I have a very high regard. I think my reading of the Ottawa Citizen during and somewhat after the election brings to mind a complaint that he, a man who scarcely faced an election like the rest, raised about all that was being offered by way of theme parks to Cornwall—a more attractive contest from the government's interest—and why could he not get some share of the action? That so fine an honourable member would be forced on to the pages of the public press to register that kind of complaint is unfortunate.

Let me say again, I support the notion, as I did this afternoon in Woodstock and Ingersoll, with farmers who were telling me on RR 3 Ingersoll just how little they think about the budget and what they would do with Duke Street lawyers who come now with a different tune from that which they offered some weeks earlier. I thought this resolution tonight about interim supply a good opportunity to share some of my concern about the kind of post-office, parish-pump politics we are being asked to accept in this province in recent days.

I have too much respect for the greatness of the tradition from which these people come, to see the modern-day construction on that reduced to so basic a level. I believe, as I hope some of them do, that John Locke had a better and more accurate sociology than did Thomas Hobbes, but the kind of bribing politics that are in BILD would make one think they all operate in the power circle with a Hobbesian view of the polity.

On page five of this document, part of the BILD commitment, much is said about the electricity component. This government has gone on record as endorsing once again its view that electricity would play an extremely important part in the future of this province, and it goes on further to talk about the nuclear generation field where I have some very clear and well known sympathies in the positive as far as that commitment is concerned.

For a long time I have lived in a part of this province where nuclear power generation is an active major player in our society and our economy, and for some time now I have been hearing stories that while, on the one hand, this government takes credit for an aggressive electrical commitment now and in the future, on the other hand it has not, certainly in terms of the nuclear power generation field, undertaken any kind of a manpower strategy to make sure that very important part of the commitment will provide maximum benefits to the people of Ontario.

I have been somewhat concerned that we have not developed manpower training programs in the secondary and post-secondary institutions of this province to ensure that some 20 years after we made the nuclear commitment in this province we will maximize the job opportunities from this kind of electrical commitment. Mr Speaker, I know you, like other members of the House, might have read in this morning's *Globe and Mail* a very interesting story under the byline of Mr. Thomas Claridge, pointing out that there are now internal reports indicating Hydro has serious manpower and morale problems in the nuclear generating sector. According to the story, as yet unconfirmed by other sources, there are serious concerns about the utility's capacity to provide a sufficient number of skilled people to run the reactors in your beloved constituency, Mr. Speaker, and in others where these reactors will be built.

The Deputy Speaker: And you will be moving with the speed of electricity back to the main point of the resolution.

Mr. Conway: It is my understanding, and I repeat it again, that a supply motion entitles me to speak to the range of activities and expenditures to which the government directs its attention and ours in this motion. That is my understanding of what supply motions are all about, and I will gladly stand down if I am proved to be incorrect, but I cannot believe a discussion of BILD and the budget is in any way inconsistent with this particular motion.

At any rate I wonder, and this is certainly something I intend to pursue with the relevant authority, the real authority, just how it can be that on the one hand we have a government determined to take all the credit for this commitment, and on the other hand it is all the while unable to supply the skilled manpower for

the jobs here in Ontario. There is also the question of the bias and the prejudice spoken of in Mr. Claridge's article.

10:20 p.m.

I also noted with some interest, and to be sure the Treasurer will know of my interest, that in that sector of his budget speech to which moneys being voted here tonight will undoubtedly apply, in the community section on page six, he said, "As part of the province's commitment to assist rural communities in securing industrial and commercial opportunities, the government has already dedicated funds to the areas of Collingwood, Huntsville and Edwardsburgh for sewerage and water works." On the face of it I cannot imagine three more deserving communities, and I applaud the dedication of public funds for those important and worthwhile undertakings at those local levels.

I want to say I would find this resolution a lot more palatable if the Treasurer would point out to me that in the funds being approved through that resolution there were specific moneys being dedicated to my home city of Pembroke for its immediate and serious water and sewage needs. I know of the Treasurer's ongoing interest in that subject. I know the Treasurer knows of the Deputy Premier's erstwhile interest in the commitment, upgraded as it was by the Deputy Premier (Mr. Welch) in my home community on or about March 4, 1981.

I have to say to the Treasurer that this resolution would be infinitely more agreeable to me if I knew that I would be approving, in any way, funds that would flow to the city of Pembroke for its very important water and sewage requirements, keeping in mind not only the commitment entered into by this minister last fall, but the genuinely alluring, attractive, additional commitment entered into by the honourable Deputy Premier on or about March 4, 1981. I would certainly be delighted and be made much more responsive if the Treasurer would indicate to me now, or at a later, more convenient and perhaps more private time, how it is that this resolution could be brought to bear upon that most serious and urgent requirement of the city of Pembroke, which involves the surrounding townships.

I know the honourable members will be interested in the commitments spoken of here about other things. Thinking of what moneys would be applied over the summer, I was interested in the comments about pension reform, as outlined here. I presume a fairly

significant allocation of dollars will be made some time after the House rises, certainly after June 1, to set in motion that particular select committee.

Mr. Haggerty: That would bail out the government.

Mr. Conway: I want to say to my friend from Erie (Mr. Haggerty) that it is seldom—if ever, in my experience—that we have seen, on the one hand, a government set in motion a select committee—the chairmanship of which certain ministers of the crown, without portfolio, have a very understandable interest in—and on the other hand set out so boldly, on pages 14 and 15 of the budget statement, five or six conditions which in my view so restrain the range of possibility as to make the entire enterprise pointless.

I was interested in that particular activity until the night of this budget. I listened with interest to the Treasurer, whose feelings on this subject I can understand and whose feelings I think I know full well. Those are his to make and to defend, but I sat and listened to the Treasurer say on the night of May 19 how he felt government policy would be decided, and he boldly and clearly and succinctly set out six conditions that would characterize government policy.

I think he has told all honourable members of the House that the decision has already been made. The executive branch of this government has, as is its right, clearly made up its mind what kind of pension reform it wants. I certainly do not agree with all of those conditions, but I would not under any conditions serve under such farcical arrangements.

I like to believe, as I know the Minister of Correctional Services (Mr. Leluk) once liked to believe, that those kinds of committees have genuine input of some significance. But this committee has been neutered at the outset. In the interests of balancing the budget, in the

interests of allocating dollars more effectively, why proceed on the basis of such a farce? The decision has been made, it is clear; page 15 says so without hesitation. So why should 12 or 14 or 15 members be sent off on a merry chase over the next four or five months when their report is obviously not going to impact in any real and significant way on the pension legislation this Treasurer and his cabinet colleagues are prepared to implement or at least to introduce?

Certainly one would like to believe the pay bill, once introduced and dealt with, would look after the other considerations which sometimes characterize the frequency and number of select committees. I have to think the many good and hardworking members on all sides who have indicated an interest in this activity, would do well to go elsewhere. From what I can tell, it is in essence a non-negotiable item. If the Treasurer means what he says, I think there should be one of those charming little House leaders' agreements to send people along to other things where there might be some hope of impact.

I found it amusing as well when my colleague the member for Algoma (Mr. Wildman) spoke tonight about the OHIP premium reference. I spoke the other day in a supplementary to a question put by the leader of the third party, or the New Democratic Party health critic, about OHIP premiums. I am intrigued at the conversion the Treasurer has undergone in that respect. It was not many years ago in this building that he headed a very spirited defence of the status quo and how he would not entertain any changes to the beloved premium concept.

The Deputy Speaker: Will the member be moving the adjournment of the debate?

On motion by Mr. Conway, the debate was adjourned.

The House adjourned at 10:28 p.m.

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Ontario

No. 48

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, June 16, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 16, 1981

The House met at 2 p.m.

Prayers.

STATEMENTS BY THE MINISTRY

AUTOMOTIVE EXPOSITION

Hon. Mr. Grossman: Mr. Speaker, earlier today the Premier (Mr. Davis) and I officiated at the opening of the first SITEV America international automotive exposition, which is being held this week at the Canadian National Exhibition Coliseum.

This world-class exhibition is the North American equivalent of SITEV Europe, which takes place annually in Geneva, Switzerland. Unlike the European show, however, SITEV America is much more than a conventional trade fair. It will focus on the exchange of information and technology, and it will serve as a forum for auto parts manufacturers from around the world to meet for discussions on joint ventures, licensing arrangements, partnerships and opportunities for establishing production facilities.

More than 200 manufacturers of vehicles and parts have gathered in Toronto from around the world. Industry representatives from Europe, Japan, South America and the United States will be spending the next three days with our manufacturers, learning about the technology Ontario firms have to offer. In addition, industrial commissioners from 27 of Ontario's municipalities will be attending the exhibition to make direct contact with potential investors.

SITEV has gained an international reputation as a meeting place for key decision-makers in the automotive sector. By bringing the world auto market and industry to Ontario for the first time, we are offering our parts manufacturers an opportunity to identify and follow up on joint ventures and licensing arrangements, to increase their sales to offshore manufacturers and to learn about and acquire new technology. Further, we are offering Ontario's industrial commissioners an opportunity to promote their communities as favourable investment locations.

In addition to the opening of SITEV America, this week marked another major event in Ontario's automotive sector. Yesterday, Ford of Canada officially opened its \$533-million Essex

engine plant two years ahead of schedule. The plant will manufacture fuel-efficient V-6 engines to be used in many of Ford's 1982 model cars and trucks. This facility, together with the adjacent Essex aluminum casting plant, is already providing employment for 1,285 people just at the start, and the company will meet its undertaking to manufacture 1.5 million engines over five years.

As the members are well aware, our government was most proud to agree to supplement federal assistance by contributing \$28 million to the cost of this project and making those jobs available for the auto workers in Essex.

Mr. Nixon: That's just like the minister.

Hon. Mr. Grossman: The Premier has told me that all four Liberal members from the area were in the front row at the official opening yesterday. He indicated that the four members did not tell all those auto workers that the Liberal Party was opposed to the grant. He also indicated that the members were there as proud as can be, telling them it was just great. The member should have brought a copy of the debates from the assembly when the Leader of the Opposition (Mr. Smith) opposed them. He probably left them in his office. Anyway, I hope the member had a good day.

These initiatives, bringing the world auto market to Ontario manufacturers and directly supporting major new production facilities, are examples of our government's commitment to auto workers in this province as well as our confidence in the long-term success of that great industry in Ontario.

Hon. Mr. Davis: Mr. Speaker, I will not add to the opening. Yesterday in Windsor was a very significant event. I thoroughly enjoyed it; I enjoyed the four members opposite, and I want to tell their colleagues just how enthusiastically they applauded when the Premier of this great province made his brief observations of a non-partisan, constructive nature. In fact, they led the standing applause at the conclusion of my remarks. I want to—

Interjection.

Hon. Mr. Davis: Listen, the member for Essex South (Mr. Mancini) said as he was leaving,

"Great job, Mr. Premier." I do not know what that meant, but anyway I appreciated it; I was delighted. I shared the credit with them, Mr. Speaker; I made that abundantly clear. But that is not why I am on my feet.

WELCOME TO GOVERNOR OF MICHIGAN

Hon. Mr. Davis: Mr. Speaker, it is with great pleasure, and it is related to the event of an hour or so ago, that I recognize and introduce to other members of this Legislature the very distinguished governor of our largest state trading partner in the United States, Governor William G. Milliken of Michigan.

Mr. T. P. Reid: Who is that masked man with him?

Hon. Mr. Davis: I want members to know that seated to the right of Governor Milliken is a man who will not be introduced to members of the assembly, the deputy minister in the Premier's office, who happens to have as his roots of origin the city of Windsor. That is why he is in the gallery. He is also a Detroit Tigers fan, I have to say, and a supporter of Michigan University.

Mr. Mancini: Is he a Tory?

Hon. Mr. Davis: No. He is very nonpartisan. He looked great in one of those commercials, but he is nonpartisan.

Governor Milliken was born in Traverse City in Michigan and is a graduate of a little-known university in the eastern part of the United States, called Yale. I point out to members of the House that Governor Milliken is in his thirteenth year as governor of that great state, which makes him, still at a very young age, the longest-serving governor in the history of the state of Michigan. Despite the fact that he is still under 50 years of age—well, not quite under—he is the longest-serving governor of that great state.

Governor Milliken was elected in 1970, 1974 and 1978, and is thinking of what he is going to do in 1982. He is past chairman of the Republican Governors' Association, the Midwestern Governors' Conference and the National Governors' Conference. He currently serves on the executive committee of the National Governors' Conference, and during February of this year he very kindly invited me to join with the governors of the Great Lake states to discuss some matters of mutual concern related to air pollution, water quality, et cetera. It was really his very kind invitation that led us to interrupt

the campaign in the latter part of February or early March to go to the governors' conference in Washington to give us a little change of pace.

The governor and I also share, as do all members of the House, a continuing concern with the automotive industry. We are sharing our concerns and our experience, and we have agreed to share any information or research documentation on the issue of acid rain. I think it is also fair to tell members of the House that Governor Milliken has spent some time in this province this morning, just outside the great city of Kingston, viewing what is without question the world's foremost intermediate-capacity transit system available anywhere.

I am very hopeful that the excellent relationships that exist between our province and that state, and between the governor of that state and the Premier of this province, will continue for the many years that are ahead of both of us in our areas of political responsibility. Mr. Speaker, it is a great pleasure to welcome the governor to the Legislative Assembly of Ontario.

Mr. Ruprecht: On a point of privilege, Mr. Speaker: The minister of expensive housing had made this House a promise—

Mr. Speaker: Order. There was another statement, apparently.

Hon. Mr. McMurtry: Mr. Speaker, I have a brief statement.

2:10 p.m.

Mr. Riddell: Mr. Speaker, do you mean to say his statement takes precedence over a point of privilege?

Mr. Speaker: You are absolutely right. Mr. Ruprecht.

RENTAL HOUSING

Mr. Ruprecht: On a point of privilege, Mr. Speaker: On June 8, the Minister of Housing (Mr. Bennett) made us a promise. He told us he would make public how many units would be built under the Ontario rental construction loan program in the Metropolitan Toronto area. Hansard reads: "I will be glad to get the exact figures as of today and to report back to the House tomorrow."

Eight days have now passed and we on this side have not yet received those figures. I want to ask the minister when he will make these numbers public.

REVISED STATUTES OF ONTARIO

Hon. Mr. McMurtry: Mr. Speaker, at two

o'clock this afternoon I attended on His Honour the Lieutenant Governor of Ontario with the commissioners for revising the Statutes of Ontario to report the completion of the preparation of the Revised Statutes of Ontario, 1980. The roll was then deposited with the Clerk of the House as provided by the Statutes Revision Act, 1979.

I am recommending to the Lieutenant Governor in Council that August 1 be named as the date on which the Revised Statutes of Ontario, 1980, will take effect. Copies of the publication will be available for distribution by the Queen's Printer starting tomorrow.

In conclusion, I wish to acknowledge and recognize the dedicated efforts of our legislative counsel in relation to the publication of the Revised Statutes of Ontario, 1980.

ORAL QUESTIONS

VAUGHAN LAND USE

Mr. Smith: Mr. Speaker, I have a question for the Minister of Agriculture and Food regarding the Vaughan land situation.

The minister will recall that the member for York North (Mr. Hodgson) stated in the House that he was the one who made the call the minister thought might have come from the Minister of Housing (Mr. Bennett). He will recall the member said he met with certain land owners who were listed and with Mr. John Dewar, the planning consultant and so on. They asked that the member call the ministry to have things re-examined. He said he spoke to Mr. David Fraser, chairman of the York regional planning committee, who asked the same thing, and then he phoned the minister. Is that not right? Unfortunately, it is wrong.

I ask the minister to consider the following. The meeting the member for York North had with Mr. John Dewar was in November 1978. Mr. David Fraser, to whom the member allegedly spoke, was no longer the regional planning committee chairman because he had been defeated in the municipal elections of 1978. Therefore, the conversation could not have been after then. Mr. Fraser says it was not after then.

Since both conversations occurred in November 1978 approximately, and since the present Minister of Agriculture and Food was not the minister until late August 1979, can the minister explain, and will he undertake to get an explanation for this House, why the member for York North, a good constituency man, would have

waited almost one full year after being requested to talk to the Ministry of Agriculture and Food about the problem before contacting the minister?

Hon. Mr. Henderson: Mr. Speaker, the honourable member is suggesting that I go to another member and see what he did for a year. There is no way. I have answered the honourable member.

Mr. Smith: Since the Minister of Agriculture and Food seems to prefer his version of stonewalling to actually enlightening this House—

Hon. Mr. Henderson: Mr. Speaker, with all due respect—

Mr. Mancini: What do you call it?

Mr. Speaker: Order.

Mr. Smith: Since the minister prefers his version of stonewalling on this matter rather than helping to provide the House with an explanation for what seems, on the face of it, to be a preposterous story by the member for York North, and since the minister refuses to get the facts for this House, does he still stick to the story he told the press on June 11, that he received a written message from his staff advising that there had been a call from "Housing," that he did not return or answer the call, that he did not talk to anybody, but just took it as a signal that he ought to send the member for Elgin (Mr. McNeil) out to look at some land in the town of Vaughan? Does the minister stick to that story?

Hon. Mr. Henderson: The Leader of the Opposition has given a good explanation. There are no changes from what he has just said.

Mr. Cassidy: Supplementary, Mr. Speaker: Is the minister trying to say that there is no explanation at all, or is he saying that there is an explanation but he will not provide it to the House because he believes he is not required to answer now that the government has a majority? Does the minister have no concept of accountability to this Legislature on behalf of the people of Ontario?

Hon. Mr. Henderson: Mr. Speaker, it is easy to see that the leader of the third party—I will not say it of the leader of the Liberal Party—has now fallen into the pit that he really does not want to understand what we have said. I have answered him fully on many occasions.

Mr. Smith: Does the minister honestly believe that any person in Ontario with even a shred of sanity remaining would believe that out of the clear blue sky the minister received a message

saying, "Housing phoned today," whereupon, not knowing the topic, he did not return the call, he did not speak to anyone in his ministry, but simply decided to send the member for Elgin out in the dead of winter to look at some land in the town of Vaughan to see whether it might be possible to withdraw the Ministry of Agriculture and Food's objection?

Is the minister prepared to have us believe that he would have been inspired, perhaps with a message from heaven, to send the member for Elgin out in wintertime to look at land in Vaughan? Did no one ask him to do that?

Will the minister give us an answer that does not strain the credulity of the people of Ontario?

Hon. Mr. Henderson: The honourable member knows all the answers. Let him think. The people out there know.

An hon. member: Know what?

Hon. Mr. Henderson: The people in Ontario know. They have shown that in the past.

ASTRA/RE-MOR

Mr. Smith: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations, who has said that he has never seen the file on Astra/Re-Mor and does not intend to read the file on the Astra/Re-Mor matter.

Will the minister inform us whether he has read at least a summary of his ministry documents? Will he tell us whether he has read the transcripts of the hearings of the standing committee on administration of justice in January as his predecessor, the present Minister of Community and Social Services (Mr. Drea), did? Has the minister read the Bimonthly Reports I sent over to him and familiarized himself with the allegations concerning the Ontario Securities Commission?

There are three questions: Has the minister read a summary of the file on Astra/Re-Mor, if not the file itself? Has he read the transcripts of the justice committee? Has he read the Bimonthly Reports regarding the OSC?

Hon. Mr. Walker: Mr. Speaker, the interesting thing is that the member across the way thinks the Astra/Re-Mor file is one little file about half an inch thick and that anyone could read it. If he would just go back to the reports of the day, he would realize that there are 48 file drawers of evidence that were brought in, not just one file. There are probably hundreds of files when one measures them out. I suggested

the other day that if I attempted to read those, it would take me five years just to thumb through them all, let alone begin to read them.

2:20 p.m.

Mr. Smith: Will the minister not answer the three questions I asked? I ask the minister when he rises to his feet again to actually answer the three questions, which is whether he has read a summary of the ministry documents, the transcripts of the January justice committee and the Bimonthly Reports that I have sent him. He might at least have the courtesy of answering those questions yes or no. Surely he knows whether he has read them.

May I also ask whether the minister has read the ministry files relating to Argosy and Co-op?

Hon. Mr. Walker: I have not read from stem to stern the entire Argosy file; I have been briefed on the Argosy matter. I and a good many people across the way here have had similar types of briefings. I have been briefed on the Argosy file; I have been briefed on the Re-Mor matter; I have been briefed on the Astra matter; I have been briefed on the CHSO matter. I have not read the files from start to finish.

In the case of the Re-Mor/Astra situation there are 48 file drawers, enough boxes and file drawers of information to fill the entire gallery two or three deep, and the member is suggesting he wants me to start reading that. I think the member should have a heart.

Mr. Cassidy: Supplementary, Mr. Speaker: Can the minister explain why it is that his ministry has been prepared to make elaborate changes in the administration of the Mortgage Brokers Act and the other acts that affect Re-Mor to prevent people from being bilked in the future in the way they were with the Re-Mor affair, but the ministry has not been prepared to act with comparable diligence to ensure that the people who were bilked are compensated?

Why is it that the minister insists on seeing no evil, hearing no evil and sensing no evil when it comes to the losses of those investors, when he has indicated by means of the administrative reforms he announced last month that serious mistakes were made in the ministry?

Hon. Mr. Walker: Mr. Speaker, I am very glad that the leader of the third party has brought up a number of the administrative reforms that we instituted. Throughout this process, as I indicated to some extent yesterday, but not fully, there have been some required changes that we have identified. We have changed a number of the administrative procedures involved within our ministry.

In addition to that, there is the question of whether there would be any compensation. As the honourable member knows, that hinges on the matter of negligence. But, in spite of that issue of negligence and how that is dealt with in the courts, where the proceedings are currently in view, we are in the process of entertaining as many discussions as we possibly can with federal officials to see whether there is any area in which we can accommodate the investors who lost their money in these investments.

Mr. Smith: The minister apparently has not bothered to read the transcripts of the justice committee hearings in January, which I think at least his predecessor had the decency to do. Will the minister therefore take it upon himself to read those transcripts?

Will he try to resolve for us the problem of the conflicting testimony in which the registrar and assistant registrar of mortgage brokers in his ministry said the Ontario Securities Commission had offered them no hard evidence to help them in turning down the Re-Mor application, while the OSC investigation counsel testified that he gave Messrs. Weinstein and Baird evidence that would have been sufficient to justify a refusal, and Weinstein and Baird then said that, had they had that evidence, they would have refused? There is a real conflict in testimony there.

Will the minister undertake to read the transcripts of the justice committee before continuing to stonewall in front of this House?

Hon. Mr. Walker: The interesting thing is in the conflicts of testimony. There is no doubt there have been some conflicts in testimony between what the registrar would have to say and what the Ontario Securities Commission would have to say as it related to one particular aspect, as I recall. But I will—

Mr. Nixon: There is not one conflict; there is more than one.

Hon. Mr. Walker: If the member wants to continue with the answer, let him go ahead. I would like to finish with this answer if I could.

They were talking about matters that came to their attention some two years in advance. There is no question that from time to time people do have conflicts in testimony. As a lawyer who has practised in the courts, as a person who has practised in the courts, I have seen many conflicts among people. Perhaps the member has not had that opportunity, but he probably would have noticed if he had that

opportunity that there are many conflicts among people who have even seen the same kind of accident.

Mr. Smith: Faulty memory.

Hon. Mr. Walker: It is faulty memory. There is no question that there is faulty memory.

Mr. Smith: That is what Nixon said too.

Mr. Speaker: Order.

Hon. Mr. Walker: As a matter of fact, in reading the transcript I was particularly impressed by the faulty memory displayed by the members of the committee who gave a great argument on the very day the member for Sudbury East (Mr. Martel), had to come into the committee and say: "This is not what the committee agreed on yesterday. We agreed on something else." I think the member for Sudbury East will recall that.

That there were even some problems with members remembering from one day to the next whether something was awry or not suggests to me, and the member may not accept the fact, that ordinary people have failings from time to time in respect of the faulty memory on which the member made some comment. That is something the member should keep in mind. People are human.

TORONTO EAST GENERAL HOSPITAL

Mr. Cassidy: Mr. Speaker, I have a question of the Minister of Health about the problems in the hospital system which contributed to the difficulties at the Toronto East General Hospital which were reported yesterday.

Is the minister aware that the report on the Toronto East General Hospital made specific references to such problems as understaffing, poor physical facilities, inadequate equipment, the inappropriately small laboratory space for the blood bank, the overcrowding of the emergency department, the shortcomings of the physical plant of the emergency department and to the fact that on average there are about 130 patients in acute treatment beds who should have been in long-term care?

Will the minister not agree that these problems at the Toronto East General Hospital were the direct result of underfunding and cutbacks from the Ministry of Health? Will he also not agree that, if those problems had not been present at the Toronto East General Hospital, the hospital would have had a much better chance of resolving its problems and difficulties?

Hon. Mr. Timbrell: Mr. Speaker, in the four or five months that the review committee was at work, and considering that they met with about 150 people—including one or two of the member's colleagues, if my memory serves me correctly—I think there was ample opportunity and scope in the terms of reference that these three gentlemen had to reach that conclusion if the facts supported the allegations.

The fact of the matter is they did not find that. What they did find was that basically the root of the problem, and page 57 at the bottom sums it all up, is: "In the opinion of the review committee, this hospital has suffered from the absence of appropriate management practices for a number of years."

When the member talks about the physical plant, he will find in the report, or whomever has read the report to brief him will find, that they make a specific point of the fact that there has not been—and this is one of the administrative deficiencies—a proper capital planning program in the hospital. They make the point that there has not been a proper program planning for the replacement of obsolescent equipment and facilities.

They also point out that there was a very large building program at the hospital culminating a couple of years ago, but this was in other areas in the hospital and not in the areas identified in this report.

I recognize there are some deficiencies. I believe we will see proposals for the correction of those come out of this from the Toronto East General Hospital in the years to come which will be dealt with as they have been in the past.

Mr. Cassidy: If the minister says the problems at the Toronto East General Hospital were not related to underfunding or cutbacks and were related only to management deficiencies, can he explain why it is that, for example, at the Metropolitan General Hospital in Windsor they currently have been forced to close 36 beds over the summer because of funding restraints and as a consequence now have 10 to 12 patients regularly waiting in the emergency wards because they have to stay on stretchers and cannot get a bed?

Will the minister also explain why it is that the Greater Niagara General Hospital now anticipates a deficit of at least \$1 million despite the fact that it is filled to capacity?

Why is it that hospitals in every corner of the province are having similar problems in terms of finding enough space to put their patients and of making their budgets stretch to meet the needs

if it is just a problem of management at the Toronto East General Hospital, as the minister tries to maintain?

2:30 p.m.

Hon. Mr. Timbrell: I remind the member, the House and the public that in 1981-82 funding for the hospitals in this province, the budgets that were issued at the beginning of the year, compared to the budgets issued at the beginning of the 1980-81 fiscal year, were \$314 million higher.

The fact of the matter is the member will find that in a great many of the projections of deficits—in most of the cases I have looked at—they include their projections of the settlements that have recently come or will soon come with the Canadian Union of Public Employees, the Service Employees' International Union, the Ontario Nurses' Association and other smaller union groups.

In the budgets sent out early in this calendar year for the current fiscal year, it was indicated to them we were assuming for the purposes of the budget calculations a 10 per cent increase in the salary and wage component. Once we know the actual salary and wage component, we can follow up. We have indicated to them that we will follow up, just as we will for the last fiscal year, once we have the final figures to settle those accounts.

It has to be said that, at whatever level of funding, there will always be demands for more. That is one of the basic problems of our system and something that is going to plague all of us for years to come.

Mr. Ruprecht: Supplementary, Mr. Speaker: Yesterday, my leader pointed out that some hospitals were unable to provide adequate emergency service. I want to find out from the minister, if he is concerned enough about the state of affairs, will he examine it and report to the House?

Hon. Mr. Timbrell: Mr. Speaker, I think the allegations were to the effect that people were being turned away. If one looks into the operation of the system—by the way, I have not answered the point about Metropolitan General Hospital in Windsor, and I will come back to that—people who are in life-threatening situations are not turned away. People who take themselves to emergency departments one way or another, by public transit, personal vehicles or on foot, are not turned away.

There is an ongoing problem in ensuring that the existing emergency departments in any

community are properly utilized and that the utilization among them and between them is properly balanced. One of the recommendations that came out of this report, which I think is a good one, was for the establishment of an ambulatory care unit at the Toronto East General Hospital.

I am sure the member knows from reading the literature that all the studies of emergency department utilization in the last four or five years have shown that 75 to 80 per cent of the people who present themselves at emergency departments are not emergencies. More and more we are seeing ambulatory care units established that can be a diversion for those people so they can be looked after, while freeing the emergency department staff to look after the 20 to 25 per cent that really are emergencies. It is an ongoing situation we are working on with hospitals, hospital councils and district health councils all over the province.

Coming back to the Metropolitan General Hospital in Windsor, we have had discussions over the last three years with that hospital about changes in the bed mix, and I would be surprised if I did not find that what the member is talking about is a combination of two things.

First, there is the normal summer closure of some beds to take account of holiday schedules. In some communities it is especially difficult to hire replacement staff for the summer, and certainly he will acknowledge that people have to have their vacations. In some communities, one has to close down some beds accordingly.

The second factor would be the reluctance of Metropolitan General Hospital in Windsor to make the changes, particularly in the obstetrics unit of that hospital vis-a-vis the Salvation Army Grace Hospital in Windsor, that would allow them to keep the same number of beds but would add some medical-surgical beds by diverting obstetrical case loads to Grace Hospital.

Mr. Cassidy: Before this gobbledegook goes on too long, is the minister saying it is normal that the situation at Windsor Met hospital should continue year after year when the hospital tells us the beds that have been closed over the summer could easily have been filled to capacity but funding restraints forced the closure? Is the minister saying that is normal?

Is the minister saying it is normal when, at the North York General Hospital, they have every bed filled to capacity and have had to cancel 190 elective surgery treatments in the last year because they did not have places to put the

patients? Is it normal that at that hospital they should have to book off the ambulances for several hours at least twice a week?

Is this normal in the hospital system? Can we not expect a hospital system to exist and be able to provide care when people need it, without this kind of cheese paring and cutting back that seem to be constantly pressuring good medical care in Ontario?

Hon. Mr. Timbrell: Mr. Speaker, in the little over four years—close to four and a half years—I have been Minister of Health, spending on health care in this province has increased by 64 per cent, which is well in excess of the rate of inflation. I submit that at any level of spending the potential will always be there for some complaints. There will always be demands for more facilities, more programs, even if we were to commit the entire budget, and we could never do that.

The delaying of 190 surgical cases in one year is not, in my view, evidence of a major difficulty, considering the number of days in a year and the number of surgical suites available. My colleague the Minister of Education (Miss Stephenson) makes a very good point; I wonder how many of those were due to the strike early this year. I would submit that to the honourable member.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Timbrell: The other thing I would say is that the member knows a difficulty we do have from time to time, which is entirely beyond our control and which does cause significant problems in the scheduling of elective surgery, is the question of blood supply. Only four per cent of the population donates blood, and from time to time we do run into problems. If we do not have a sufficient supply in the blood bank to support elective surgical procedures, they must be delayed. That happens regularly, I am afraid to say.

CENTENNIAL COLLEGE

Mr. Cassidy: I have a new question for the Minister of Colleges and Universities, Mr. Speaker. Now that the occupation of the president's office at Centennial College is in its sixth day and there still has been no resolution of the outrageous decision of the college's board of governors to fire 47 maintenance workers, in the hope they will get some savings by contracting out the work, would the minister say, since this has gone on for this long, what actions she

or her ministry has taken in the last six days to resolve this dispute and to find a way of saving the jobs of those 47 workers, who have served the college loyally for 10 to 15 years in many cases, and who should not be fired on the grounds proposed by the college?

Hon. Miss Stephenson: Mr. Speaker, I think the leader of the third party should be aware that some two weeks ago, after the decision was taken by Centennial College, the ministry did indeed approach the college and suggest the board should rethink its position about this action it proposed to take. Discussions were going on, related to the alternative courses that might be taken by Centennial College, when some members of the Ontario Public Service Employees Union, and certain other labour organizations, made the decision to occupy the president's office.

This morning I have requested Mr. Robert Joyce, and he has agreed, to act as a special adviser in this situation, to investigate the situation, to provide me with the information and to provide assistance to both parties in an attempt to resolve it.

Mr. Cassidy: That step of appointing Mr. Joyce to the situation could have been taken last Thursday, when, out of frustration, the leaders of the unions felt they had no choice but to sit in, given the fact that the president constantly fobbed them off and said he had no authority to give them any decision because the decision had come from the board of governors.

Is there in the ministry a policy forbidding contracting out in the college system, if it results in workers being fired, as has occurred at Centennial? Does the minister not think it is a matter of fundamental justice that workers should not be fired, as they have been at Centennial, because the college had decided to save some dollars? Those savings of dollars should not be made at the expense of workers' livelihoods when they have given long years of loyal service.

Hon. Miss Stephenson: Every employer in any jurisdiction has to make decisions about the methods of employment that will be most appropriate for those circumstances. In each of the colleges the board of governors employs certain of the staff, based on local requirements, the kinds of patterns in existence within that community and the specific concerns of that institution. I believe that decision is made in 22 different locations in 22 different ways. For the ministry to suggest that at no time ever should

any college ever consider contracting anything out I think would be a ludicrous position, because in many of the areas of the province that may be the appropriate thing to do.

2:40 p.m.

Mr. Cassidy: I will put my question to the minister again. Is the minister not prepared to say that workers should not be fired as a consequence of a decision to contract out? Does she not feel there is a responsibility on the province, which is the paymaster for community colleges, to endorse and to support fair labour practices in that section of the public sector, just as much as it tries to endorse them—or I hope it tries to endorse them—with respect to the civil service?

Hon. Miss Stephenson: Mr. Speaker, I think the college system and the ministry have always supported any concept of fair labour practice and will continue to do so.

Mr. Wrye: Supplementary, Mr. Speaker: Given the disruption that has been caused by these layoffs of 47 support staff members at Centennial College, will the minister give us assurance she will take another look at the budgetary levels given Centennial? Will she see whether they cannot be increased so that Centennial is not put in the kind of financial squeeze that has led to this very unhappy situation?

Hon. Miss Stephenson: Mr. Speaker, the college system this year did achieve a 10.1 per cent increase in budgetary allocation from the government. I believe that is a fairly reasonable level of allocation. I do not believe Centennial College received any less than that; in fact I think it was somewhat more.

I do believe there are certain principles that each of the college boards must pursue. I also believe their decisions must be based on what they perceive as the most appropriate circumstances within the communities they serve.

Mr. Cassidy: Supplementary, Mr. Speaker: Is the minister not aware of studies by bodies that are reputable, such as the Bureau of Municipal Research, which indicate that long-term savings do not flow from contracting out? Their studies say if any savings occur at all, they are only for the short term and often at the expense of the quality of service. In view of that, is the minister not prepared to make a firm stand and say this kind of contracting out at the expense of workers' jobs should stop?

Hon. Miss Stephenson: Mr. Speaker, the leader of the third party has counselled me on

many occasions never to intrude by making any remark in the face of ongoing negotiations, because I might be perceived to be leaning towards one side or the other. Now he is saying that as long as I tend to lean to the side of organized labour that is perfectly fine.

I will not say what he is asking me to say at this point, because those negotiations are ongoing. I am aware of that research. I would remind the honourable member I said not five minutes ago that shortly after the decision was taken by Centennial College, on the basis of our investigation and our calculations, we approached the college and told them we thought they were ill-informed in making the decision they had. We asked them to go back and discuss it with the union.

HELICOPTER FLIGHT

Mr. Riddell: Mr. Speaker, I would like to direct my question to the Chairman, Management Board of Cabinet, if I could entice him back to his seat.

Hon. Miss Stephenson: You couldn't entice anyone anywhere.

Mr. Riddell: It sure would not be that minister anyway.

Hon. Miss Stephenson: That I am sure is a sexist remark that the member for Hamilton Centre (Ms. Copps) would not allow.

Mr. Riddell: We've got them awake over there.

Mr. Speaker: Ask the question, Mr. Riddell.

Hon. Miss Stephenson: I think he should withdraw and start over again.

Mr. Speaker: Order. Order. Mr. Riddell has the floor with a question—I hope.

Mr. Riddell: Thank you very much, Mr. Speaker. Maybe I could meet with the minister afterwards and talk it over.

Mr. Speaker: Mr. Riddell, do you have a question?

Mr. Riddell: I have a question to the Chairman, Management Board of Cabinet. Knowing how cautiously this government spends the taxpayers' money, and knowing the reluctance of this government to offer any kind of interest rate subsidy to farmers and businessmen who are desperately needing help at this time, does the minister think it is a judicious use of the taxpayers' money to provide the Minister of Agriculture and Food (Mr. Henderson) with a helicopter to fly him to his own riding of Lambton in order to attend the warden's picnic?

Hon. Mr. McCague: Mr. Speaker, I want to tell the honourable member that he did not entice me back to my seat; I came here as a matter of duty, and I have since learned that the member cannot even entice the Minister of Education and Colleges and Universities to meet with him after question period.

Mr. Speaker: Proceed, Mr. McCague.

Hon. Mr. McCague: The matter that has been brought to my attention by the honourable member is a matter that is within the discretion of the Ministry of Agriculture and Food. The member might want to ask that minister the very question he has asked me.

Mr. Riddell: Mr. Speaker, if that is the case, I will redirect the question. The Minister of Agriculture and Food heard the question. I will also ask him if he would mind giving this House an estimate of the cost of flying him to that picnic. Furthermore, does he think it is right, as Minister of Agriculture and Food, to deny the farmers and businessmen their very survival in the business world in this province when he flies to attend social functions in his own riding? Is that right?

Hon. Mr. Henderson: Mr. Speaker, I will not give the honourable member the figure of what that cost me personally, and not this government.

Mr. Riddell: How do we know he is telling the truth? I want to see the invoice.

Interjections.

Mr. Speaker: Order.

PLACEMENT OF JUVENILE WARDS

Mr. R. F. Johnston: Mr. Speaker, my question is for the Provincial Secretary for Social Development, in the absence of the Minister of Community and Social Services (Mr. Drea). Is the minister aware that the Children's Aid Society of Sudbury has been systematically requesting the provincial court to place juvenile wards in the juvenile detention centre because there is a lack of appropriate placements for hard-to-control juveniles in that city, even though no charges have ever been laid against any of these juveniles? There has been an accusation by a local lawyer who has defended such children that the ministry is responsible. Is this a common practice throughout the province or is this an aberration?

Hon. Mrs. Birch: No, Mr. Speaker, I am not aware of that particular issue in Sudbury but I will bring it to the attention of the minister responsible.

Mr. R. F. Johnston: Will the Provincial Secretary for Social Development also please bring to the attention of the minister the fact that in the last year 17 such children, according to the CAS, have been placed in the detention centre for periods varying from two to three days to, in the case of one young boy named Alex, a number of weeks. In fact, the CAS has just applied for another three-week extension to that boy's stay in a juvenile detention centre. The reason it gives is that there are 44 fewer spaces available in terms of foster homes and group homes—

Mr. Hennessy: Sit down.

Hon. Mr. Pope: Sit down.

Mr. R. F. Johnston: Mr. Speaker, there is no attention being paid in the House and I do not want to continue. This is a serious matter.

Mr. Speaker: Order. Order.

Mr. R.F. Johnston: Kids are being put in jail because they have not got group homes.

2:50 p.m.

Interjections.

Mr. Speaker: Order. It is extremely difficult, and I have mentioned this before, to hear the questions and answers with members carrying on private conversations. I would ask you—

Interjections.

Mr. Speaker: Order. I would ask you all, if you have private conversations, to carry them on outside. Mr. Johnston, proceed with your question, please.

Mr. R. F. Johnston: Mr. Speaker, the accusation is that—

Interjections.

Mr. R. F. Johnston: God! Can the member not control himself for a second?

There are 44 fewer spaces available in foster home care and in group homes for juveniles in Sudbury at the moment. As a result there are no appropriate placements and they are sticking these kids in jail, essentially, until they can find them appropriate placements. Does the minister have a policy for making sure there is going to be an increased allotment of such spaces for these kids around the province?

Hon. Mrs. Birch: Yes, Mr. Speaker, we do have a policy in place. There are three centres for children who are particularly difficult and who have really serious problems. I would remind the honourable member that this government has a policy of encouraging municipalities to provide the group homes required for

children like this. It is incumbent upon all of us to help promote that program wherever we may live, so that children will not be placed in those kinds of situations. I will have the minister look into that situation and report back.

Mr. Foulds: Supplementary, Mr. Speaker: When will those places be available?

Hon. Mrs. Birch: The facilities for difficult children are under consideration at the moment. The first one is to be opened in the very near future, with two others to follow.

CHILDREN'S HOSPITAL OF EASTERN ONTARIO

Mr. Roy: Mr. Speaker, I would like to ask the Minister of Health a question concerning the Children's Hospital of Eastern Ontario.

In view of the minister's genuine interest in the vocation of that institution to serve the interests of all the people of eastern Ontario, including the granting of French language services, and since the minister is aware that the whole purpose of setting up the hospital and raising funds was to do exactly that, is he aware that, in spite of the fact that his ministry is granting funds to the tune of something like \$60,000 per year to allow this institution to give French language services, in spite of the Dubois report back in 1979, and in spite of the later report of the Social Planning Council of Ottawa-Carleton, a recent report called Let's Talk, dated March 1981, indicates not only that the hospital is not encouraging the giving of French language services to these young people but that the administration in fact seems to be systematically denying those services?

Will the minister review this report and accept one of its major recommendations: that they create a French language advisory committee to advise the board—not the administrators but the board of trustees—on matters of francophone services for this hospital and for eastern Ontario?

Hon. Mr. Timbrell: Yes, Mr. Speaker, I am aware of that report. Pursuant to the policy that I announced in Sudbury in September 1979, we have funded programs in the Children's Hospital of Eastern Ontario in each of the last two fiscal years: \$60,000 this year and \$55,000 in fiscal 1980-81.

My co-ordinator for French language services, Mr. Leblanc, is going to be meeting with officials of the hospital to review the report, so at this point I am awaiting the results of the discussions he will be having with them. Once I

have that report I will be in a better position to respond. I have not actually seen the report; I have only heard of its existence from Mr. Leblanc, who, as I say, is going to be meeting with officials of the hostel.

Mr. Roy: I wonder if I could emphasize to the minister, since the report's major recommendation is the creation of this French language advisory committee for the institution, that it is important to assure that if such a committee is set up—and I would suggest that the only way we are going to have systematic French language services in that institution is to set up such a committee—it should report to the board of trustees and not necessarily to the administration?

Secondly, I would also ask the minister how an institution such as the Children's Hospital of Eastern Ontario, for instance, could have a situation where the chaplain, the pastoral counsellor, for that institution cannot even discuss anything with the young people in French? In other words, most francophone patients of that institution happen to be Catholic and yet the pastoral services are unilingually in English. That is just one example. The report goes on to cite a variety of examples where there has been confusion. There seems to be a systematic attempt to deny French language services to these young children, which is totally unacceptable and intolerable.

Will the minister undertake not only to review this report and set up this committee, but to proceed expeditiously? The report has now been before the administration since March 1981 and there appears to be no intention of doing anything about it.

Hon. Mr. Timbrell: I am advised that the board was presented with the report towards the end of March of this year. Apparently it has not responded to the internal group that prepared the report. As a result, somebody apparently tried to leak it to the Association canadienne-française de l'Ontario, which is how it became public. That is perfectly fine; I take no issue with that.

I concur with the need to assure services in both languages in the parts of this province that have been designated bilingual by our national government. That is in fact the crux of the *politique* I released in September 1979. I want to make it clear that I have no authority to force any hospital to establish anything akin to a French-language advisory committee, a FLAC.

We have found in other communities that they have been able to find ways to work with their French—

Mr. Roy: Did you say "FLAC"?

Hon. Mr. Timbrell: That is what they are called.

Mr. Roy: That is an unfortunate expression.

Hon. Mr. Timbrell: Yes, it may be.

We found in other communities that they have been able to establish mechanisms for working with the staff, representatives of the board and the community to move things forward. I am told, by the way, that about 35 per cent of the staff of this hospital is bilingual now, but the member is quite right. Apparently the report has highlighted certain areas of the hospital where there are deficiencies and one of them is in the chaplaincy area.

Again I can only go by a very brief note I have, basically covering the same things the member has already told me. Mr. Leblanc will be meeting with officials of the hospital and we would take the basic position that the hospital should then issue a statement indicating the policies it hopes will meet with the approval of the people of eastern Ontario, particularly the francophone population.

WHITCHURCH-STOUFFVILLE WATER QUALITY

Mr. Charlton: Mr. Speaker, I have a question for the Minister of the Environment with reference to the statement he made in the House last Thursday regarding water quality in Whitchurch-Stouffville. I quote in part from his statement:

"Based on these results, there is absolutely no indication that the drinking waters are contaminated by the landfill or any other source. In testing for 20 general water quality parameters, 24 metals and 66 industrial chemicals, pesticides and related compounds, we found nothing which would in any way affect or threaten drinking water quality. All in all, our sampling has shown outstanding water quality in the community."

How does the minister reconcile that statement with the report submitted to the Environmental Assessment Board hearing by HB and O Engineering Limited, consultants to the town, in which they made the statement, "Measurable damage is now being done to the well water of a few private properties close to landfill No. 4," and they went through and listed contaminants which are normally used as parameters in

normal testing of water quality—chlorides rising in wells at rather excessive rates, sulphates and conductivity. How does the minister justify the statement he made, in view of the report that was submitted before his board at the hearing in Stouffville?

Hon. Mr. Norton: Mr. Speaker, I have not seen the specific report the honourable member refers to as having been submitted to the hearing. I can say the testing that was done by our ministry covered some 2,000 tests, including 13 private wells plus the municipal water supply. On the basis of our tests, I stand by the conclusions I indicated to the House. I do not know specifically which wells might have been dealt with in the testing the member refers to.

3 p.m.

I do not recall the specific chemicals or compounds the member referred to, but there are certain compounds that are commonly found in water. I would be glad if he would send me a copy of the report, if he has it, so that I can look at it and make a comparison with the results we found to see whether their results varied from ours in any significant way that would indicate any level of impairment of water quality.

In the meantime I would have to stand firmly with the conclusion as a result of the most comprehensive testing of any water supply in the history of this province, using some of the most sophisticated methods available to us. I do not know anything about the methodology used by the consultants for the municipality. I do not know whether they have access to the same sophisticated equipment we have, but I would be glad to look at the report if the member will share it with me.

Mr. Charlton: I would be more than happy to provide the minister with the information we have.

It is my understanding that, when testing for water quality, the substances I referred to are normally a part of the water quality parameters the minister outlined in his statement. One of the three chemicals I mentioned was chloride. The specific wells and rates of increase are listed in the report. In the case of chloride, the report showed two wells increasing at rates of 33 and 38 per cent a year. There were projections that those wells would be over the acceptable level.

I understand some of these substances are commonly found in water. It is the increasing rate and the fact it is approaching the acceptability level that is the problem.

Hon. Mr. Norton: I think that must be kept in perspective. The member, by his own admission in his supplementary question, has suggested there is no indication for alarm in terms of the present water quality. Any evidence of increasing concentrations, albeit at a harmless level to human health, ought to be something that is considered by the hearing tribunal and I am sure it will be.

I would caution the member not to play upon the fears of the public by raising matters that are not threats to public health in such a way that they might be perceived that way from the manner in which he presents them.

Mr. Kerrio: Supplementary, Mr. Speaker: While there are certain parameters that are arguable as they relate to the safety of drinking water in the province, would the minister tell us whether he monitors wells in the areas of landfill sites to see if there have been major changes in the quality of the water; not whether it is within the limits of what the minister and some of his staff have decided is acceptable, but whether there are major changes?

Does the minister think it is time those people who are close to these landfill sites and other intrusions on their privacy should know if there are major changes in the quality of their water? Should they know whether the minister or his ministry considers them dangerous or whether it is an intrusion on something they were enjoying before he got there?

Hon. Mr. Norton: Mr. Speaker, I can assure the honourable member that in many instances we do inform them. I cannot say we do so in all municipal landfill sites across Ontario. I think it is doubtful that we do it on a regular basis in all cases, but we certainly do it regularly in many instances.

It is also important to know that there are certain early indicators of leachate from landfill sites. In the case of the Whitchurch-Stouffville site, none of those indicators exists in any of the testing we have done to indicate that there are even early indications of leachate. That is something that is very significant, and we ought to bear it in mind as we continue to monitor the situation during the period of the hearings.

BANKERS' SCHOOL

Mr. Yakabuski: Mr. Speaker, I have a question of the minister who attends wardens' picnics, the Minister of Agriculture and Food.

In view of the fact that his ministry sponsored a bankers' school at the University of Guelph

between June 7 and 12, and I believe it was the twenty-seventh annual bankers' school, it would appear that for the first 26 years the minister had some difficulty getting through to them, because on or about June 10 or 11 the bankers of this province collectively or individually made statements that they were going to be more humane and less ruthless when it came to dealing with loans and the problems of the farm community in this province. I am led by that to believe that at that school in Guelph he must have got the message through to them.

Mr. Breithaupt: What foolishness!

Mr. Smith: What foolishness that is.

Mr. Speaker: Order.

Hon. Mr. Henderson: Mr. Speaker, what the honourable member is saying is correct. In addition to that, my own deputy met with one of their directors last Thursday at noon, and it was a very good meeting, with great co-operation.

Ms. Copps: On a point of order, Mr. Speaker: I may be a new member, but I understood that this question period was to be used to ask questions and receive answers, not to have setup statements by the minister. Why does he not use the time for ministerial statements?

Mr. Yakabuski: Mr. Speaker, on a point of privilege—

Mr. Speaker: Order. Are you speaking to the same point?

Mr. Yakabuski: My point of privilege is this, Mr. Speaker: At no time did the member for Renfrew South prenotify or arrange with any minister in this government about any question he has ever asked.

Mr. Mancini: On a point of privilege, Mr. Speaker: Do you not feel that the question period is specifically for the back-benchers of the House who have no direct contact with the cabinet and that the parliamentary assistants should ask questions—

Mr. Yakabuski: It's for everybody.

Mr. Mancini: Just let me finish. Does the Speaker not feel that the parliamentary assistants should be able to ask questions only on the most important issues of the day and not use the time of question period with those types of political statements, thereby taking away the opportunity of ordinary back-benchers who need this particular time to question the minister? Will the Speaker consider adding the time used by the parliamentary assistant to this question period?

Mr. Speaker: For the benefit of all members, parliamentary assistants are not prohibited in any way from asking questions. They are not, as you may be aware—

Ms. Copps: There was no question.

Mr. Speaker: Order. They may not, as you are aware, answer questions. They are representatives of constituents, the same as all members in this House and therefore may ask questions.

Mr. Wildman: Supplementary, Mr. Speaker: If the minister was so effective in getting through to the bankers at the bankers' school, will he please explain why they retracted the agreement a few days afterwards?

Hon. Mr. Henderson: Mr. Speaker, apparently the honourable member was not listening to the question. There has been no retraction since the meeting in Guelph.

3:10 p.m.

Mr. Riddell: Supplementary, Mr. Speaker: If indeed the minister got the kind of co-operation from the bankers that has been indicated here just now, what kind of co-operation are we going to get from the government in connection with some assistance when the Treasurer (Mr. F. S. Miller) indicated he has \$100 million to play with? How is he playing with it? Are we going to get it through to the farmers?

Hon. Mr. Henderson: Mr. Speaker, I never heard our Treasurer say he played with money. He makes use of money. We will respond to the honourable member in the fullness of time.

WHITCHURCH-STOUFFVILLE WATER QUALITY

Hon. Mr. Norton: Mr. Speaker, I have further information on the previous question from the member for Hamilton Mountain (Mr. Charlton).

On a quick review of the ministry's report on the water quality in Whitchurch-Stouffville I also note, and I want to bring to the member's attention, that in certain offsite private wells—I was trying to see how many might be involved—there was an indication of an increase in certain parameters, such as conductivity, hardness, sulphate and chloride in two offsite wells in our testing.

The examination by our staff in the ministry concluded that was not as a result of contamination from the landfill site but rather from other natural sources in some instances and possibly from road salt in one instance; it was not from the landfill site.

I again reassure the members that the conclu-

sion reached was that the levels measured certainly did not impair water quality from a health standpoint but did cause some aesthetic problems, such as staining, as a result of the use of that water.

Mr. Smith: On a point of order, Mr. Speaker: I do not believe, sir, there is any provision for a minister to actually add material to an answer already given to a question that was asked earlier. I may be wrong, but I do not believe there is provision for that. I respectfully ask that you consider adding the time to the question period.

Hon. Mr. Norton: In speaking to that point of order, Mr. Speaker, I do not know whether it is the intention of the Leader of the Opposition to suggest that a minister ought not to try to answer questions as fully, frankly and openly as possible. Is that what the honourable member is suggesting?

Mr. Smith: You should have answered fully and frankly the first time.

Hon. Mr. Norton: I indicated when I rose the second time that in a quick review of the report, which frankly I have not memorized, I came up with specific information that related to a specific question that a member asked me. I felt I owed a responsibility to this House and to that member to be as complete in my response as possible.

Mr. Smith: There is no provision in the rules for that.

Hon. Mr. Norton: I do not intend to let the Leader of the Opposition—

Interjections.

Mr. Speaker: Order.

HUDAC WARRANTIES

Mr. Van Horne: Mr. Speaker, I have a question of the Minister of Consumer and Commercial Relations regarding the Housing and Urban Development Association of Canada's new home warranty plan.

As the minister knows, the plan provides a home buyer with a warranty covering many items for the first year as well as major structural defects in the home for the first five years. A number of my constituents have been told by HUDAC that water leaks in their basement resulting from cracks in the foundation arising after the first year after the warranty plan are not considered major structural defects.

Can the minister assure this House that cracks in the foundation of a home which allow

water to seep in, and even water mixed with sand to seep in, are indeed major structural defects and are covered by the plan for the full five years of the warranty?

Hon. Mr. Walker: Mr. Speaker, I cannot give that assurance, but I would like to receive some of the individual complaints and I will have people in the ministry determine the information and supply the member with that as soon as possible.

Mr. Van Horne: The total amount paid to claimants in the last five years was \$8.5 million, but only \$250,000 of that has been awarded to claimants for major structural defects. There is every evidence that HUDAC is deliberately trying to limit access to the fund under the category of major structural defects.

Will the minister investigate that criticism and report back to us with, it is to be hoped, a broadening of the terms of major structural defects?

Hon. Mr. Walker: Yes. I will get that information for the member.

Mr. Speaker: The time for oral questions has expired. For the benefit of the honourable members, the oral question period was exceeded by three minutes.

Mr. Sargent: On a point of privilege, Mr. Speaker: This is a matter, I believe, of urgent public importance. Representing the people of Grey-Bruce, I have to find out something from the Premier today which is of great importance to the people in our area.

Regarding the crumbling hospital situation, particularly in the Grey-Bruce/Owen Sound area, the Premier will remember that—

Mr. Speaker: Order. That is not a point of privilege.

Mr. Sargent: It is, and I want to tell you why. We have—

Mr. Speaker: Order. You had ample time during the question period to ask your question. If you have a question, send a note to the Premier or the minister in charge of that area.

Mr. Sargent: On the point of order, Mr. Speaker: It is very important that we establish now whether we raise \$10 million or whether we forget about the whole thing for our hospital. I want to get a guarantee from the Premier—

Mr. Speaker: That may well be very impor-

tant. I am suggesting, if you are serious about this inquiry, that you immediately send a note to the minister or the Premier and get a response.

Mr. Sargent: Why doesn't the Premier get up on his feet and tell us the truth?

Mr. Speaker: Order.

PETITION

WORKMEN'S COMPENSATION

Mr. Di Santo: Mr. Speaker, I have a petition signed by a number of injured workers and addressed to the Minister of Labour. It says: "We, the undersigned, petition the Minister of Labour to introduce immediate changes to the Workmen's Compensation Act in order to increase benefits for injured workers receiving permanent disability pensions."

REPORTS

STANDING COMMITTEE ON REGULATIONS AND STATUTORY INSTRUMENTS

Mr. Eves from the standing committee on regulations and statutory instruments presented the committee's first report for 1981 and moved its adoption.

Mr. Eves: Mr. Speaker, before moving the adjournment of the debate on the adoption of the report, I wish to make a few comments.

The report being submitted today is the seventh in a series of reports presented by the regulations committee from 1978 through 1980. In a sense, the report is the work of two committees.

In part one, we have concluded the work undertaken by our predecessors in the last parliament, in reviewing the 1,141 regulations filed pursuant to the Regulations Act in 1980. Of these regulations, the committee found only 39 in some way irregular or warranting comment. We believe this speaks well for the public service officials who are involved in the preparation and processing of delegated legislation in the ministries and in the office of the registrar of regulations.

3:20 p.m.

In part two, the committee has continued with its primary responsibility, the vetting of regulations, and through the excellent work of our counsel, L. R. MacTavish, QC, our review is current up to April 30, 1981.

Of the 264 regulations filed in the first four months of 1981, 13 were found to be irregular in

some respect. The committee will continue to be as up to date as possible in reporting to the House on regulations as they are filed and published.

The committee has also addressed itself to a number of other matters, including access to regulations and their comprehensibility. Our comments in this regard are to be found in chapter eight of the report.

As indicated in our conclusion, we will undertake an in-depth study in the fall of notice and comment as well as other procedures to improve the delegated legislation process in Ontario.

On motion by Mr. Eves, the debate was adjourned.

STANDING COMMITTEE ON SOCIAL DEVELOPMENT

Mr. Gillies, from the standing committee on social development, reported the following resolution:

That supply in the following amounts and to defray the expenses of the Ministry of Education be granted to Her Majesty for the fiscal year ending March 31, 1982:

Ministry administration program, \$24,935,500; education program, \$1,310,536,000; services to education program, \$133,424,800.

INTRODUCTION OF BILLS

REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Hon. Mr. Bennett, first reading of Bill 115, An Act to amend the Regional Municipality of Hamilton-Wentworth Act, 1973.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, the purpose of this bill is to permit the regional council to exempt any class or classes of shops in any designated part or parts of the regional area from any provisions of its store closing bylaw during a particular day or days of the year.

MILK AMENDMENT ACT

Hon. Mr. Henderson moved, seconded by Hon. Mr. McCague, first reading of Bill 116, An Act to amend the Milk Act.

Motion agreed to.

Hon. Mr. Henderson: Mr. Speaker, the purpose of this bill is to give the Ontario Milk

Marketing Board the authority to collect funding which they committed under the Ontario Dairy Herd Improvement Corporation.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Mr. Swart moved, seconded by Mr. Grande, first reading of Bill 117, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Mr. Swart: Mr. Speaker, the purpose of the proposed section 1 in this bill is to provide that the Legislature sit part of every month during the year instead of the current policy whereby it may sit continuously for four months in the spring, two months in the fall and be recessed or adjourned for the rest of the year.

The proposed section 2 declares that the designations "a member of the Legislative Assembly" or "MLA" are the official designations of persons elected to the Legislative Assembly. The intent is to have a designation conform more closely to designations used in other provinces and to eliminate confusion between the designations "MPP" and "MP."

ELECTION AMENDMENT ACT

Mr. Kolyn moved, seconded by Mr. MacQuarrie, first reading of Bill 118, An Act to amend the Election Act.

Motion agreed to.

Mr. Kolyn: Mr. Speaker, by way of explanation, the bill is the Election Amendment Act, 1981.

Section 1: The provision clarifies that a reference to time in the act is a reference to the prevailing time system.

Section 2: The act now provides that certain classes of persons may vote by proxy. The effect of the proposed amendment will be to permit any person who is unable to vote because of his absence from his polling subdivision during the election period to vote by proxy.

Section 4 of the act now provides that the polls be open from 8 a.m. to 7 p.m. The proposed amendment would extend the closing time until 8 p.m.

Mr. Foulds: On a point of order, Mr. Speaker: I am a little puzzled. If a bill has already been introduced that has the same clause or purpose as one that is being introduced, is it in order? One section of that bill has already been introduced in this Legislature.

Mr. Wildman: Both sections.

Mr. Speaker: There seems to be some confusion as to whether there is or not. I will be pleased to look into that. I honestly do not know.

AGE OF RETIREMENT ACT

Mr. Kolyn moved, seconded by Mr. Kennedy, first reading of Bill 119, An Act respecting the Age of Mandatory Retirement.

Motion agreed to.

Mr. Kolyn: Mr. Speaker, the purpose of the bill is to ensure that no person shall be required to retire before reaching the age of 70 where the person is capable of performing his or her job.

Section 1: The Employment Standards Act, 1974, is amended to prohibit an employer from including mandatory retirement below the age of 70 as a term or condition of a benefit plan offered to employees.

Section 2: The Pension Benefits Act is amended to prevent the registration of a pension plan containing a term or condition requiring the retirement of persons under the age of 70.

Section 3: The Public Service Act is amended to raise the age of mandatory retirement from 65 years of age to 70 years.

Section 4: The provision permits an employer to cause an employee to retire after attaining the age of 65 where, because of his state of health or other reasons, the employee is no longer able to perform his duties. An employee retiring under this provision would incur no penalty for early retirement.

TRIBUTES TO BARRY'S BAY RESIDENTS

Mr. Yakabuski: Before the orders of the day, I want to bring to the attention of the House two very significant events that happened in the past week.

On Thursday of last week I had intended to rise and bring to the attention of the House the birthday of a former member for Renfrew South. As a matter of fact, it was his 101st birthday but, because of the donnybrook that took place, I was unable to do so. Because of pressing events in my riding I was not able to do so on Friday or yesterday either.

3:30 p.m.

I want to call to the attention of the House that on Thursday, June 10, Mr. Thomas P. Murray of Barry's Bay, who served in this Legislature from October 30, 1929, until, I believe, June 16, 1945, celebrated his one

hundred and first birthday quietly in his home in Barry's Bay. He has made a significant contribution to his community and to this province, and I feel it should not go unrecognized. I understand that his grandson, the member for Renfrew North (Mr. Conway), celebrated last night by making a very commendable speech in this Legislature on the supply estimates.

Last week, this House also remembered the late Dr. Charles Best and Dr. Frederick Banting, who discovered insulin. That discovery was so phenomenal, so remarkable, that Mr. H. J. Chapeskie of Barry's Bay, who came down with diabetes very severely around August 1932, found insulin, like others, and lived a healthy, active, productive life for 48 years until, I believe, February of this year. I thought that also should go on the record, because it is very significant.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, before the orders of the day I wish to table the answers to questions 102 and 116 standing on the Notice Paper. [See Hansard for Friday, June 19.]

Mr. T. P. Reid: Mr. Speaker, before the orders of the day I have had question 92 in regard to public opinion polls on the Notice Paper since May 19, 1981. It is indicated that the approximate date on which information will be made available is mid-June 1981. Since this is hardly a surprise to the government, and in view of their commitment to freedom of information, I wonder when we are going to see these public opinion polls.

Hon. Mr. Wells: Mr. Speaker, it would be my observation that we are still well within mid-June. Presumably some answer will be forthcoming shortly.

Mr. Martel: On a point of order, Mr. Speaker: May I ask the government House leader, in view of the fact that some 75 questions were supposed to be answered by mid-June and that, today being June 16, we have now passed that deadline, whether he intends to present a deluge of answers in the next two or three days to the approximately 75 questions awaiting response?

While I am at it, may I ask the government House leader about the government's responses in oral question period as well? We are being told by various ministers that they will respond to questions down the road a little way, but in some instances a month and a half to two months go by and we are still awaiting the

responses from those various ministers who indicated their intention to respond. I can think of four that I alone have raised with respect to labour, health, mining tax and so on, and I am still awaiting those responses.

I would hate to have to ask all my colleagues to put together the questions they have raised and to which they have not received responses. But I would ask the government House leader to look into the matter with his cabinet colleagues and start to produce some of those oral answers before we have a list equal in length to that now on the Order Paper for written questions.

Hon. Mr. Wells: Mr. Speaker, I say to my friend in regard to the last point he brought up that it really is the responsibility of the members who ask the questions to follow up and make sure they get answers. I can assure him that all my colleagues will diligently answer the questions.

I have no way of knowing whether they have mailed the members an answer, talked to them in the hall or in some other way answered the questions, and the members have privately said, "Yes, that's fine, that answers our questions."

I think as far as oral questions are concerned, I can say my colleagues will diligently answer them to the best of their ability and as quickly as possible, but the responsibility perhaps rests also with the member asking the question. If he does not feel he is getting the answer in time, he should rise in question period and ask the minister why he did not get the answer. As far as written questions are concerned, I will be happy to look into that particular matter and take it up with the people who compile the answers, because, here again, we very carefully attempt to have them done within the spirit of the standing orders of this House and have them answered in that manner.

Mr. Martel: As one who is not easily provoked, I will arrange to have a list passed around my caucus and I will get up and raise all 30 or 40 of them as one question tomorrow.

Mr. Foulds: Surely if a minister in this House, in his answer to an oral question, makes a commitment to reply more fully, that is a commitment made to this Legislative Assembly as a whole and should be met without a private member having to use one of his further questions to extract that answer from the cabinet minister. I understand fully that a minister may or may not answer a question as he sees fit, but if he makes a commitment in this House to this Legislative Assembly to answer

more fully, then he has an obligation, not only as a cabinet minister but as a member of this assembly, to answer that question fully before the House adjourns.

Mr. Speaker: The House leader has said he would look into the matter to see if the questions could not be answered.

ORDERS OF THE DAY

TORONTO ISLANDS AMENDMENT ACT

Hon. Mr. Wells moved second reading of Bill 103, An Act to amend the Toronto Islands Act.

Mr. Epp: Mr. Speaker, this bill, as the minister has previously indicated, is going to stay the writs until December 31 of this year. Obviously we will be supporting the bill. It is, of course, partially in response to the Swadron report, which we have here and which is going to be debated at greater length in the future when the government has an opportunity to study the whole matter a little more thoroughly and come forth with recommendations with respect to the island community.

The 750 or 800 residents, or whatever number are there, are obviously looking forward to some kind of long-term permanent solution. Ever since this particular matter was turned over by the city of Toronto to Metropolitan Toronto back in 1956, there have been some eyebrows raised and questions asked with respect to the islands being turned over to Metro. There were a lot of people opposed to it in 1956, and it was because of the financial constraints of the city of Toronto that the islands were turned over to Metro.

The Swadron report has about 36 recommendations, a major one of which is the fact that the island community remains intact as it is now and that the city of Toronto has an important say in the management of the islands. Obviously the city of Toronto council's thinking is much more attuned to that of the island residents than the thinking of Metro council. As you know, Mr. Speaker, Metro council has allocated \$250,000 for a campaign to win support for making that island a park.

3:40 p.m.

In this party we hope the island community will stay and I think the government has so indicated. The question is: What will the exact details of that be? The government has until December to make up its mind. I hope it is not going to leave it until the last minute as it did last

year. Last year we dealt with this matter on November 14 and I think it was the next day the writs were supposed to be issued.

The government has the whole summer. It has had two or three months to study the report, which came out in mid-March. The government has an opportunity to study the report thoroughly, make its recommendations and bring in legislation in the fall so the final death knell can be dealt to those people who hope to remove all the residents from the island. Based on a number of surveys, I think the majority of residents in the city of Toronto and in Metropolitan Toronto support the continuation of the island community, as do we in this House.

We would like the government to get on with the business of trying to give some permanence to that community. We look forward to the recommendations it will be introducing later this year.

Mr. R. F. Johnston: Mr. Speaker, it is a pleasure to speak again on the Toronto Islands bill. I rise in support of Bill 103, An Act to amend the Toronto Islands Act, 1980, although all it does is extend the period during which the writs cannot be acted upon by Metropolitan Toronto until December 31, thus buying more time for the government.

This is a major development for us. When we had this legislation brought before us previously, we had only 24 hours before the writs were to be issued. This time, it is two weeks in advance and we can have a long, leisurely debate on extending this period of time. I think that is a positive move by the government.

The most disappointing thing is we do not have the legislation in front of us today that would bring the final lasting solution for the islanders—or at least the 25-year solution that Mr. Swadron recommended—and we would have this issue out of the way once and for all. Instead, we have it hanging over our heads and, more importantly, over the heads of the islanders for another few months. There is a series of questions before those people which must make them feel a little uncertain about their futures.

I would like to go back to the initial bills brought in by the government to put this into context. The initial bills were essentially bills of attrition. They did not accept the concept that the community should stay, but instead talked about the individual citizens who lived there and talked about those citizens, as individuals, being able to stay.

These bills were persisted with right up to the last minute and there was great confrontation in

the House, even though it was understood that was totally unacceptable to the islanders. It was also unacceptable to the opposition, which at that time was in the majority compared to the governing party.

There was great reluctance because of a large and deep division in the Tory ranks about the future of the islanders. The present Minister of Industry and Tourism (Mr. Grossman) and the member for Wilson Heights (Mr. Rotenberg) championed the rights of the islanders. There were a number of others who were just as adamantly opposed to the islanders. The Speaker is shaking his head, wanting to dissociate himself from any of them; however, that was a large group. The minister was caught in the middle trying to find the attrition route as his way out.

Up to the last minute on November 14, when the writs were to be issued the next day, the minister was speaking about three alternatives, two of which were not real alternatives at all. The only alternative was to extend the writs until the Swadron report was brought down. The minister did not do that until the last minute. Then there were delays following Mr. Swadron's report.

Mr. Swadron and I had the pleasure of sitting together on the way back from Thunder Bay the other day. He alleged that he wished to talk to me about any number of the myriad items upon which I can converse with great lucidity, as you can well presume, but by the end of the trip it was quite clear what he was really interested in knowing: how had I received a copy of his report in advance of everybody else in Ontario. That was really the meaning of it.

We waited two and a half to three months from the time of his report being completed and put into the hands of the minister to its release in the House. Yet, in the speeches made in the House, there was a request made of the minister that he not delay, that he come through with recommendations and that we have a chance to debate it before an election, and if not before an election, at least well before the writs would come due this July. Instead, what we have run into is just another prolongation, a bill which prolongs the time in which the sheriff can act, and nothing which guarantees the position of the islanders.

I would like to compliment Mr. Swadron on his report, both the version I saw earlier and that which has now been given to all members. I recommend it to all members for reading. It is probably the best written report I have read in

my limited time here in the Legislature, considering the hurried fashion and the constraints he was under. *Pressure Island* chronicles the history of the islanders and their problems better than any of the major debates I have heard on the issue, whether at the Metropolitan Toronto level or here in the House. I will not go back into that but I urge all members to read it to try to understand that issue.

I leaked the recommendations of that document during the election because I wanted to make sure we did not get to the situation, which did occur, of a majority government. I did not stop the election of a majority government, but by leaking that information I did cause the government to make a statement of intent about the Toronto Islands before the election was over, so that it would feel constrained and committed to a certain course of action no matter what the result of that election.

I believe we gained something towards that end because of that release. The minister indicated in a press conference upon the official release of the document that the essence of the report would be implemented. He never allowed himself to be more specific than that, but he did state that the government would now accept the essence of the report. That is a substantial move away from the old attrition view, because there is nothing in that report which indicates that attrition is acceptable. That has been a cause of great hope for the islanders and those of us who have been fighting on their side.

There is, though, still a great concern. Here we are sitting and talking about a bill that extends the issuance of the writs but does not let us know what the government is actually going to do. It does not give us any inkling at all as to what the government's formal legislation which is going out for public hearing is going to touch upon. That is a major concern to myself and to many islanders.

Does the government mean that by accepting the essence of the report it accepts the bulk of the 36 recommendations that come at the end of that report? Is that what we are to understand? If that is the case, then we can all revel in the fact that legislation is just a little difficult to come forward with but it will be coming with that kind of thing in it. Or is the government going to start to limit its interpretation of what is the essence of Swadron? And if it does so, will it be jeopardizing the life of that community? That is the concern raised by many at the moment.

There are four or five major items in that

report which I would consider to be the essence, and I would be interested in hearing in the minister's summary his comments on any of these particular items. One was the lease, the lease going for 25 years, to 2005 or whatever. That acceptance of a long-term lease, the ability of the community to stay, is an important principle within the Swadron recommendations. Has that been absolutely accepted?

3:50 p.m.

I think the concept of no profiteering is vital. The people who have been living as owners on the island for some time are now going to be tenants and are not going to be able to sell their property for profit during the course of this lease agreement. I think that is vital in terms of the concerns of the broader community which does not want to see a lot of small-time speculation going on and the development of a ritzy little area on the island.

The cost of upgrading the buildings is another important component of what Swadron was talking about. In connection with that there is the possibility of relocating homes which are in flood danger areas. Moving those to a more confined area of the community as he lays it out is also an important principle we would want to see as part of the essence of the Swadron report.

There is also the notion of preference in terms of who may be a tenant. I think the concept he came forward with is very just—that is, that people who are resident there now would be given preference. The absentee landlords, those who have moved from the island in the last number of years but maintain ownership and sublet, have a secondary right, not a primary one, to residency on the island. Has that principle been accepted and will it be coming forward in the legislation?

The other vital thing he talked about, in my view, is the upgrading of the general facilities on the island. He spoke of the responsibility of the city of Toronto, in conjunction with Metropolitan Toronto, to pick up the cost of improved sanitation, sidewalks, lighting, et cetera; that is mentioned in his report.

In my view that would comprise the essence of the Swadron report. If that is what the minister is talking about in terms of the essence of the Swadron report then I am glad to wait and see what the government comes forward with.

I welcome the notion of public hearings, and I would raise a couple of matters. The member for Waterloo North (Mr. Epp) just raised the issue of the motion by the Metropolitan Toronto

government to spend \$250,000 to bring forward its case in terms of the need for park land over there.

Mr. Nixon: You should pass legislation to stop them.

Mr. R. F. Johnston: You know, Mr. Speaker, that sounds like not a bad idea.

My concern is that these people refused to participate in the Swadron hearings. That was an opportunity for them to have presented their case. Now they are going to come forward at a time when we would be holding public hearings on some specific legislation and propagandize—to a fairly large degree with that amount of money—the people of Toronto to try to swing public opinion against it. I think that is a very negative thing to have happen at a time when these hearings would be going on.

I know the virtriotic side of that council in a very personal way. It passed a three-stage motion. The first was to condemn the proposed legislation. The second was to have \$250,000 worth of propaganda and third was basically to investigate the cause of the leak of the document.

They asked the Ontario Provincial Police to investigate how that leak ever occurred—how Johnston ever got hold of this information. They did this in a horrible, small-minded, petty way to try to find some kind of scapegoat. Their rationale behind this was that it was just shocking to have what they considered a cabinet document being leaked. These are people, of course, who have no responsibility to cabinet. The cabinet, as I understand it, exists here at the Legislature and not at Metropolitan Toronto council. Yet they were able to request the provincial police to come and investigate it.

The provincial police did not find themselves able to investigate. It was not in their area of jurisdiction. So they notified their boss, the Solicitor General (Mr. McMurtry). The motion read specifically that the OPP investigate, but the Solicitor General decided not just to send back the motion saying it was inappropriate—and maybe with no extra comments about the petty, small-mindedness of it—but that it was something worth looking into. He sent it down to the Metropolitan Toronto Police who then put two policemen on the case. For a number of weeks they went around talking to Mr. Swadron, the Minister of Intergovernmental Affairs (Mr. Wells), to myself, to CITY-TV, to anybody they could, about just where this leak had taken place. Finally, after great cost to the taxpayer,

they determined there was nothing to be discovered, and there were no major conclusions to their report at all.

This is the nature of that council and its view. So as we come forward to have a public hearing on this matter, and legislation that hopefully will be bringing forward the essence of the Swadron report, we are going to have this council doing everything in its power to try to turn public opinion against us. I think that is an unfortunate thing and would hope there would be some action taken.

I would hope, just in conclusion—so I do not repeat myself too much at this point—that the minister in summing up will respond to what he considers to be the essence of the Swadron report, and will explain what he considers the major principles that will be embodied in the bill.

I know he says he has had difficulty in drafting this bill and that is the reason we have not seen it at this point, but if at least he could tell us the principles that will be embodied, we will have some idea before this particular bill is passed as to whether or not we can feel pretty secure that the battle against the forces that wish to get rid of the island homes will be successful, or whether we are going in on shaky ground against a very determined opposition in Metro council.

Mr. Ruprecht: Mr. Speaker, I rise in support of the essential nature of Bill 103. As all of us know, the fight for the Toronto Islands has been going on for a long time. The reason Metro council has used the basic argument of instability of the houses on the islands was to discourage repairs. They say the houses are really in a very detrimental condition, and if nothing is done fairly soon these houses will fall down of their own accord. That is one of the basic arguments that was being used on the Metro scene. We find that argument is being used against the islanders for a very specific reason, because that would, in turn, discourage any repairs. It would discourage anyone from spending extra money to build up the sewer system, or to build up the quality of their home.

By introducing the essential instability framework for the islands, Metro council was able to produce a psychology on the islanders that was not in tune with fixing up one's home. That strategy was fairly effective. When one goes to the island, one finds some of these homes are really in a great state of disrepair.

I would indicate the reason for that is fairly simple to understand. The islanders were almost

ready on a daily basis to vacate their premises. In fact, they had been asked to vacate by some of the sheriffs who had been sent over by Metro council to take possession of these homes. It is small wonder then that some of these homes were not being repaired, and that this kind of a strategy had actually worked to the detriment of that.

The point I am trying to raise here is simple, and that is that some of the members on the Metro council scene have really been misinformed. For instance, it was indicated on Metro council while I was still present that the sewer systems were totally inadequate in that they are actually below the level of the water. Consequently, there would be backup into their homes, and that was not very healthy. The health inspectors were sent to the island homes to determine the state of that.

The other reason being utilized by Metro council was that we need an increase in the size of the park. They said Metropolitan Toronto needs to be in a position to have all kinds of people go to the island and use it as park space. When we look at the facts of the matter we find that we have sufficient park space on the islands, and that the park space is underutilized at present. The argument about getting in there and cleaning out the island homes and making it into open space for other Metro residents is not a fair argument, simply because we have statistics that prove there is plenty of room for any Metro resident over there at any time.

4 p.m.

The other point I wanted to make is that I think it is a very good idea for the island residents to stay because it simply means there is a built-in effect against any further commercial expansion. I think that idea is very important to understand. If Metro council, for instance, wanted to expand the island airport and introduce a new type of jet to fly in, there would simply be no person, no organized group, no one there to say, "Your expansion of the airport would indeed bother us because we live in the area." I indicate we should keep that in mind, that the essential nature of the islands as they are now could be maintained by the presence of these islanders. If we remove them, we have removed the main bulwark and the main argument against an expansion of the commercial enterprise of the island airport.

As a citizen of the city of Toronto, having also served on the city council, I would find that a good argument against the expansion to a bigger service than the one we agree on now—we have

agreed to permit the Dash-7 to go in there. The basic fear on the part of the city of Toronto council has been that permission being granted for that particular aircraft was the thin edge of the wedge and that once we permit those kinds of airplanes to go in there it automatically means we are permitting a greater use and a commercial expansion of the island airport. Let us not underestimate the fact that the island community in this case would be the major organized community which would stop an expanded airport. I think that is very important and the reason why we should move as soon as possible to pass this legislation.

The other point I wanted to make is that if the island community goes we would not have sufficient police protection to look at and examine all the activity—and there has been incident after incident—that went on there in the summertime and in the wintertime. By the very existence of the island homes and the islanders being there in many cases—and this can be documented—life-saving situations have occurred. The islanders, in walking across the island to get to their homes and just being around in the neighbourhood, their physical presence, have been responsible for some saving of life that has already taken place there. So really one of the other advantages we are receiving by the very fact of the island community being there is free protection, and it does not cost us a cent to help to maintain not only the quality of the island but also its beauty. We almost had a police force over there looking at the preservation of the quality of life and I think that is another fairly important aspect to consider.

Mention has already been made by two honourable members here that \$250,000 has been set aside to campaign against the recommendations in the Swadron report. Let me say that we are unequivocally the final arbitrators of the split and the arguments between Metropolitan Toronto and the city of Toronto. Where else can they go? There simply is not a higher political authority than this government and the cabinet, supported in this case I am sure by all members of the House. Consequently, we should realize our role in this endeavour, that we have a very important responsibility to ensure that the island community can stay. Metro Toronto and the city of Toronto will have to come to us and we are now making a decision that the island community should stay. I think that is a great idea.

In conclusion, we should move quickly and as

soon as possible on the essential nature of these recommendations. I am positive that when we do we will see a significant increase in the quality of the houses there and in the quality of the physical nature of not only the island homes but of the surrounding area.

The Deputy Speaker: Thank you, Mr. Ruprecht. It was brought to my attention that we were not sure you were sitting in your proper place and at some future time that should be corrected.

Mr. Renwick: Mr. Speaker, I want to speak briefly about the bill. I had the opportunity to read at leisure shortly after the election the report on the islands and the problems that are involved in the solution of the difficult question that was placed before the commissioner.

I want to compliment the commissioner and his staff for what I think is not only a very readable but also brilliant exposition of the state of the islands at the present time. Apart from the immediate problem it had to address, it will certainly be a reference work for some time to come. I found it fascinating from the point of view of the history that was outlined in the report of all of the interests, competing and otherwise, that are involved in the use of the islands and the way in which the islands fit into the city and Metropolitan Toronto in particular, as well as other areas surrounding this part of the world.

I have little, if any, sympathy for the Metropolitan Toronto council. At the time this commission was appointed to deal with the matter, Metro Toronto council felt it should not be handled by a commission but that the writs of eviction should proceed.

At the very time that was taking place and the government decided to appoint the commission, one finds in the body of the report what the Metropolitan Toronto council was doing in June, July, August and September of 1980. It was extending the leases or granting new leases to the three private yacht clubs for an acreage which exceeds the acreage occupied by the islanders. If anybody talks about an Achilles' heel in the position of Metropolitan Toronto, that is it.

Whatever sympathy one might have for the ideal position that the Toronto Islands should be devoted solely and exclusively to park purposes disappeared when the integrity of the Metropolitan Toronto council disappeared in September 1980 after it approved the grant of 25-year leases to the three private yacht clubs.

As the report very clearly states, you and I are

not entitled to walk on the lands of those yacht clubs; you and I are trespassers if we go near those yacht clubs. That is not true of the island community. In the island community, the rights of the individual persons to their own homes is certainly private, but access in and out through the boardwalks, the sidewalks and the other areas of access to the community is available to any citizen who wants to make use of it.

I cannot understand the way in which Metro council has dealt with this matter. As has been mentioned, it now is prepared to spend several thousand dollars to subvert the work of the commissioner in trying to reach a solution to the problem. The integrity of Metro council on this issue has simply disappeared.

4:10 p.m.

I want to speak about one major problem, as I see it. I am going to assume that, as my colleague the member for Scarborough West (Mr. R. F. Johnston) has said and as the member for Parkdale (Mr. Ruprecht) has said, the gut substance of the recommendations of the commissioner will be accepted. I am going to make that assumption; it is a dangerous assumption, but I am going to take whatever I could read of the minister's statements from time to time as indicating that, yes, the islanders' community will be retained in the position where it now is, as delineated by the commissioner, and it will be under the intricate legal arrangements for a 25-year period.

What distressed me was the avenue that it led, if this assembly is not careful, to an attrition program by default, either an attrition program by default or a program which will result in many of the present islanders not being able to remain in the island homes. I want to try to draw attention to it. I will stand to be corrected in my understanding of the report if the matter is covered, but it is very clearly an omission on the part of the commissioner or perhaps either an oversight or a matter to which he would like to address his attention. If he does not, I want the minister to know that when the bill comes to us in the fall for consideration to implement it, I want the matter to be covered.

What we are interested in is protecting the people who have, subject to all of this fighting, the first right to get the subleases from the city of Toronto with respect to their island homes. Those are the people I am talking about. Over a period of time I would hope, subject to the usual mobility in an area such as this, that those are the people who will be protected in their tenure. I understand the problem the commissioner has

stressed and I accept the position he has taken of the necessity of not providing a windfall benefit to the island people simply by the grant of leases subject to a right to assign.

At page 559, I think it is, of his report when he is dealing with this question, he indicates quite clearly that we cannot, by the mere granting of a lease, create a valuable asset in the hands of the tenants of the property. I accept that. I also accept as a lawyer that one must preclude that salable value or usable value or incremental value that would fall to the tenants by prohibiting assignments. I can well understand there must be some flexibility with respect to occasional consents to sublease where the actual tenant is going to be away for a short period of time.

Let me also say I accept the proposition that to the extent the tenant has had to bring the property up to minimal standards over the years, and then, as is forecast in the report, up to the general standards required by the bylaws of the city of Toronto, on surrender of the lease the tenant would be entitled to proper recompense for the improvements that have been made to it. I accept all of those principles as set out by the commissioner. But if one looks at page 500 of the report and the few pages surrounding that, we get some sense of the immense financial outlay that members of that community are going to be faced with in order to bring their homes up to the standards which are required.

In an endeavour to focus attention on the point which I think has to be addressed by the government in preparing the bill, let me just quote from page 500 of the report: "Repair costs to bring all homes in compliance with housing bylaw 1973 number 68 were estimated at \$1,728,558. Costs to comply with health and safety matters alone were estimated at \$354,849."

"The average cost for complying with housing standards at Ward's is an amount over \$8,000, and on Algonquin over \$5,000. Average cost to comply with health and safety regulations at Ward's is almost \$2,000, and on Algonquin just over \$900. The range for bylaw compliance at Ward's Island is from about \$250 to over \$18,000; the parallel range on Algonquin is from \$135 to about \$19,000. These figures give one an indication of just how expensive it would be to bring the premises into compliance with minimum housing standards. The costs of rehabilitating a residence beyond minimal standards would be even more expensive."

It goes on to elaborate to some extent on that

question. It then deals with the question of the cost to be borne if a proper sewage system is installed. The additional connection charge for that is estimated to be \$600; it is the same if a proper water system is installed.

So there are very significant costs to be borne by the tenants on the island to bring their properties up to the standard that will be required. I recognize clearly that the commissioner foresaw that it would be done in a staged process so they would not be expected to do everything at once. But the minimum health and safety standards would have to be met, and then the general standards would have to be met; and those costs would have to be borne by the tenants themselves.

But there is no way, according to this report, that a tenant can have the assistance of his lease for the purpose of financing those costs. I do not know how one would do it; I do not know how one would arrange it. But it does seem to me unreasonable to expect any tenant on that island to look to, say, an average expense of approximately \$10,000 to be able to go and either borrow it or have the benefit of \$10,000 in order to bring the property up to those standards, unless in some way he can bank the lease. There may be other ways to deal with it, but for most of the people on the island, as I understand it from reading the report, that means in substance they will not be able to stay there even though they have the benefit of a sublease from the city for a 25-year period.

I think that question simply has to be addressed. If not, then one can see what will happen: either the leases will be surrendered by the present tenants and the city of Toronto will sublet them on some basis to various other people—and there is no indication whatsoever that it is going to be done in such a way as to provide low-cost housing for the tenants who will remain on the island; or there will be a gradual surrender of leases to the city, and, in a way, attrition will take place.

I think that is a gap in the report. It is not a criticism of the report; it is simply to point out to the minister that when they are giving consideration to the kind of bill we will deal with in the fall, this matter has to be addressed. How in this day and age are the present tenants on the island going to finance the costs of bringing those properties up to the standard which the commissioner foresaw and which is a very reasonable and proper objective?

Is the province going to provide funds through the city of Toronto by way of reasonably

low-cost loans or otherwise to the tenants? What is the vehicle by which the money can come to the tenants? I would guarantee that very few of the tenants on the island at the present time could walk into a bank, even if they could afford to pay the interest rate, and simply get an open loan for the amount that would be required without being asked the basic and fundamental question, "Where is the security?" If the program set out in this report is accepted, the tenant would reply, "I am sorry, I cannot give you by way of assignment my sublease of the premises as security for the repayment of the moneys."

4:20 p.m.

I am not suggesting how it should be done. I do not have the imagination to put forward all the alternatives or to suggest what they should be. I want the minister to clearly understand that particular problem must be addressed in a satisfactory way. The purpose and intent of the commissioner's report was to secure the tenure of the people now on the island, subject to the usual mobility of life in this particular area. People do move around, they change their wishes, and they will not always be on the island simply because they are now tenants.

I want to point out to the minister that if this report is implemented not a single tenant now entitled to obtain a lease on his home for the 25-year period should be subject to the kind of pressure that says he has no alternative but to surrender his lease because he cannot get the dollars at a reasonable cost to permit him to upgrade the property over a period of time to the standards required.

I trust I have made my position and the concern I have about the report very clear. I wanted to signal it very clearly to the government, because without that kind of provision in the new bill or without some kind of solution to that problem we will only have the mythology that everybody on the island has a 25-year lease and is secure in their tenure in the usual way. We will find one of two things: either a substantial attrition over a period of time or a substantial change in the nature of the community on the island. I do not think the fight that has gone on about the island homes was for the purpose of creating a particular enclave of well-to-do people who would be acceptable tenants for those homes because they could afford the cost of upgrading. That was not the intention or the purpose.

There is one indication in the report of an avenue through which this can be accom-

plished. It is the reference to the Toronto Islands' co-operative. In my judgement, if all the properties—in the intricacies of land tenure—could be sublet by the city to the co-operative under suitable and satisfactory terms, it may be possible to turn the island community into a model co-operative where all these problems could be resolved with proper assistance from the government. I do not think the city need bear all the costs. With proper assistance from the city, from Metro—if it is decreed by this assembly that Metro should participate—and failing that, from this government, some of those financing problems can be solved.

I want the minister to understand the fundamental and basic concerns I have about the report. I close as I opened, by complimenting the commissioner and his staff on the excellence and readability of the report.

The Acting Speaker (Mr. Cousens): Does any other honourable member wish to participate in this debate? If not, the Minister of Intergovernmental Affairs.

Hon. Mr. Wells: Mr. Speaker, I would like to thank the members for their contribution to this debate. This is a very short and simple bill. It extends the deadline for preventing the serving of the writs that are outstanding against those homes now on the island.

As I explained when I introduced the bill, the reason for this is so that we can have more time to draft it and carry out the complete discussions necessary to bring forward a proper bill which will carry out the announced intention of the government. That has been enunciated by several members in this debate: that is, to implement the essence of the Swadron report, which is that a community on the Toronto Islands should be continued.

But that is only half of what I said at the time. I said, and I am quoting again from my statement, the essence of the report is that a community on the Toronto Islands should be continued and those who are resident in that community should pay their way. That is an integral part of the policy this government announced concerning the Toronto Islands. We believe in a residential community on the islands. We believe that on Algonquin and Ward's islands a residential community should remain. We believe those people living there should have certain preferences and precedence. We believe the city of Toronto should handle the leasing and arrangements with those residents rather than Metro. But we also fully believe those people living in that community should pay their way.

I believe the bill I will be bringing in later this year will fulfil that statement of policy I enunciated. It will provide for leases for 25 years. It will prohibit profiteering. It will provide for upgrading of the buildings and the general facilities. The whole matter of who will get preference is one of those delicate things still to be decided. I cannot tell my friend now how the bill will read in that regard because that is one of the areas that will have to be straightened out. It must be worded very carefully. That is one of the sections that caused us to delay a little in bringing in the final bill.

It is my intention to get a draft ready. I will not bring it into this House for first reading, but probably make it available to members of this House, certainly to Metropolitan Toronto and the city of Toronto people and the island people so that we can have some discussion and meetings with various groups over the summer. By the time the House reassembles, we will have had our discussions, we will have input and we should have a final bill pretty well in place.

I think I said publicly when I brought this bill in for first reading that it has already been seen by the legal departments of both Metropolitan Toronto and the city of Toronto and we have had some input from them. We will continue that process because there are a number of legal things connected with the bill which must be addressed. We feel this can best be done working together with the lawyers for both those municipal corporations.

As other members have said, I would certainly criticize very strongly the intention of Metropolitan Toronto to use public funds to fight this legislation. I think it is an atrocious thing to do. I have said that before and will continue to say that. The use of moneys for some kind of an advertising campaign is completely unnecessary and uncalled for. I hope they will reconsider in the spirit we offer of letting them work to develop this bill.

The other thing which makes us very cautious in drafting this bill is the threat—I do not know whether threat is a good word to use—the indication of prolonged court action once the bill is passed. This leads us to want to be sure the bill is drafted in a way that is, I guess to use a nonlegal but vernacular term, airtight, if such can ever be. I am not sure that such can ever be, but that is what we are trying to do. We want to be sure that we are able to draft a bill that will not end up being the subject of court battles for the next five or six years.

4:30 p.m.

In so far as the comments raised by the member for Riverdale are concerned, I must tell him that it certainly is not the intention of this government to provide any funds, low interest loans or funds of any kind to those people living on the islands to help them upgrade the premises. I do not think that was ever considered, and I cannot conceive of us considering any arrangement in that regard. It would certainly be my opinion that if anything is to be provided in the way of assistance for people who have to meet certain standards that assistance should be provided by the city of Toronto and that they should work out some kind of plan for the residents since they will be the ones who will be arranging the leases. Certainly, that would be our comment to the city of Toronto.

I just want to make it abundantly clear that we have no plans, and indeed I would not foresee any arrangement that would provide in this bill, or any other arrangement that would provide some kind of financial help for those people who are living on the islands in order that they can fulfil certain standards that they might be required to fulfil or, indeed as they will be required, to pay certain back taxes and back bills that are outstanding. I think they are going to have to make those arrangements themselves, or with the city of Toronto. I believe that is the proper way it should be handled.

Motion agreed to.

Ordered for third reading.

POWER CORPORATION AMENDMENT ACT

Mr. Andrewes, on behalf of Hon. Mr. Welch, moved second reading of Bill 86, An Act to amend the Power Corporation Act.

Mr. Andrewes: Mr. Speaker, I have some opening comments. This bill amends the Power Corporation Act and the Public Utilities Act. As a result of this legislation, Ontario Hydro and the municipal hydro utilities will be able to carry out an energy conservation program as defined in the bill.

Specifically, Ontario Hydro will be authorized to carry out an energy conservation program in its rural service area, and make loans to its own customers and to customers of the municipal utilities for the purposes of the program. The bill also provides the authority for each municipal hydro utility to undertake or participate in an energy conservation program in its community, and to act as an agent for Ontario Hydro in making loans for carrying out the purposes of the program.

Ontario Hydro's residential energy advisory program, which would be implemented in accordance with the provisions of the bill, includes an assessment of insulation and weatherization of homes, an assessment of the electrical wiring system, an assessment of the home heating system and loans of up to \$2,000 to carry out the recommended work. After the work is done, a follow-up inspection will be made to ensure that the customer will obtain proper performance from changes made in his home.

A second purpose of the bill is to enable Ontario Hydro to supply and sell steam and hot water as primary products on a similar basis to the production of electrical power. Ontario Hydro's thermal stations, both nuclear and fossil fired, produce great quantities of steam for use in the generation of electric power. This steam, particularly from nuclear stations, is produced at an attractive cost relative to alternative steam sources and therefore can contribute to industrial development near these stations.

The first major instance where this new authority will be used will be the Bruce energy centre. This major industrial development, outlined in the Board of Industrial Leadership and Development document, will rely on the provision of relatively inexpensive and inflation resistant steam from the Bruce nuclear power development. Ontario hydro proposes to enter into an agreement with the Ontario Energy Corporation for the provision of steam once this bill has been approved so that steam will be available in the energy centre by the fall of 1982.

One other aspect of this part of the bill clarifies that Ontario Hydro's research and development function includes activities dealing with any source of energy, such as heat, solar, fusion or hydrogen, and not just electricity. These amendments are necessary in order for Ontario Hydro to carry out important parts of the government's BILD program. I believe this important legislation deserves the support of all members of this House.

Mr. J. A. Reed: Mr. Speaker, I would like to take the opportunity to divide this bill into two major areas—one connected with the energy conservation program as it applies to Ontario Hydro and the other connected with the amendments to facilitate the sale of steam and hot water from what will initially be the Bruce nuclear plant. I would like to deal with that section first.

Would the honourable member who is carry-

ing the bill in place of the minister, who is absent today, say what necessitates an amendment to the Power Corporation Act to allow Hydro to do this? Let me refer to section 1 of the Power Commission Act of 1970, which as far as I know has not been amended. It identifies the word "power" in clause (f)—and I will quote from the Act, "(f) 'power' includes electrical, pneumatic, hydraulic, mechanical, nuclear, steam, gas or other power and also includes energy."

Every one of us in this Legislature is keenly interested in the utilization of the waste heat from all the thermal plants in the electric power system. One would, at first glance, look at this part of the bill and say that is fine, this is all necessary and good—apple pie and motherhood and so on. But I wonder if the honourable member could please explain why it is necessary in the first place, since Hydro is given, through the Power Commission Act, the power to do whatever it wants.

The only thing one can ascertain in this part of the bill is that maybe it reduces some of the necessity of having the approval of the Lieutenant Governor. But even there, section 4 of these amendments says, "58d. The Corporation, with the approval of the Lieutenant Governor in Council, may . . ." So I really believe there has to be a tremendous amount of clarification. The government should be in a position to justify the apparent need to have these amendments at all.

I am also concerned that these amendments would add a certain amount of exclusivity to the sale of energy—that is, if Hydro does not already have exclusivity over the sale of energy in Ontario. It might prohibit free enterprise transactions involving heat energy in the future, as it does at the present time with electrical energy.

4:40 p.m.

Ontario Hydro has exclusivity over the sale of electrical power in Ontario at the present time. While an individual may generate power for his or her own use subject to inspection by Ontario Hydro, it specifically gives Hydro the mandate to sell power to the exclusion of all others. The Power Commission Act says the commission may take and acquire one's holdings if one has a generating plant. It may do whatever it jolly well pleases.

I ask again why we are dealing with these amendments at all. What is the purpose of them? I give notice to this House that we will be interested in the comments of the honourable member to ascertain how we in this party deal with this bill.

We would like to support the idea of utilizing waste heat and raising the efficiency of the electric power system and any other generating systems that ultimately can be classified as cogenerators. We support that and as a matter of fact the transcripts of the select committee on Ontario Hydro affairs will show, I believe, that we were one of the initiators of that concept. We need some answers before we can proceed with approval.

The other section of this act is the one which concerns this party deeply. I am sure it concerns members of the opposition and it should concern members on the government side as well. While these amendments are cloaked in the guise of energy conservation, what they are really and truly doing is providing the means for Ontario Hydro to enter into a promotional war with other utilities. I want to read from a few parts of this bill to underline our deep concern.

First, section 3 of the bill says, "An energy conservation program may provide information, advice and inspection services in respect to the use of all forms of energy and may include but is not limited to . . ." et cetera.

Then a little farther down it says, "The corporation shall not loan money . . . to a system other than one based in whole or in part on electrical energy."

This constructs a mechanism for going in, doing an assessment on a home and telling them if they put in baseboard heaters or whatever it happens to be they are going to get a loan. They will not have any moneys available to them to make the right decision—which might not be electrical energy in a particular instance. It might be propane for all we know. It might be a wood burner. It might be something else entirely.

My party has said all along, and I believe the former energy critic of the New Democratic Party has said all along, this kind of thing that involves energy auditing and so on should be under the purview of an independent body and not Ontario Hydro. Only through an independent view can one get a true judgement call on energy conservation and energy efficiency that really reflects the highest end use of the energy forms that are available and the costs of those energy forms to the people of the province.

One wonders why the medium of the long-promised renewable energy corporation might not be used for this energy conservation program rather than Ontario Hydro. Why could it not serve for the creation of an energy conserva-

tion corporation or some such medium that will lend an air of objectivity to what is being proposed here?

It does not take anybody with a crystal ball to see that the response is going to be a promotional war between the electric power utility and the other utilities in the business of supplying the people of Ontario. It is a great setup, this free energy audit: they will come into people's homes and do an energy audit and will tell them how to upgrade using their product.

It is an old sales gimmick. For any of us who have been in the sales business it is an old tool. We are going to provide them with a service and here is our product. This is a matter of deep concern, because the way it is being proposed here through the Power Corporation Act removes any semblance of objectivity. I cannot really find any reason why we should support a bill giving Ontario Hydro this sort of authorization.

As I said at the outset of this debate, Ontario Hydro's mandate is pretty complete as it is now. Why would we want to do this? What we are doing is creating a mechanism for forcing electric power on to the consumers of Ontario. It is not honest, it is not objective and it is really not going to serve anybody's interests whatsoever to do it.

If we were to succeed in having some mass changeover to the use of resistance electric heating, we would create an even less efficient system from the standpoint of the utilization of electric power than we have at the present time because we still have not introduced the complement that is necessary. If one is using electric heat, the natural complement is to be able to use that electricity for some other purpose during the months that we do not use electric heat or during the hours that we do not.

It has been calculated that any committed generator for electric heating purposes only runs about one-seventh of the time. So one's actual capital investment is much larger, specific to electric heat, than it is for other end uses.

If we are going to look at what this bill is going to do in the future, it would be unfortunate if it were to pass in the condition it is in at the present time. I wonder if the people who are out doing the energy audits and objective assessments of what the householder will need will bring some of that information to the citizens. I rather think not. I really doubt that anybody who has a self-interest to protect can be totally objective.

In this situation, if we are going to deal with conservation, let us make conservation the

self-interest. That is why it is necessary to use a medium that is devoted to energy conservation. That way the true value of the conservation ethic, if I may call it that, will be able to be presented. I cannot see it happening through this bill.

This part of the bill is specific in that it limits this whole thing to electrical energy. That is a shame, at least in terms of the way the money is to be loaned. The householder is not going to get a loan here for the use of gas, and yet we are going to come in and do what is supposed to be an objective analysis of the need. I just cannot see how that will work.

4:50 p.m.

I would like to put the government on notice that my party will be bringing forward an amendment to this bill to delete those sections dealing with the energy conservation program through Hydro, making it quite clear in this debate here and now on the so-called principle of this bill, that we believe if true conservation is to be pursued it has to be pursued independently. It has to be pursued objectively. It cannot be pursued under the aegis of Ontario Hydro. I understand we have more personnel in the public relations and advertising division of Ontario Hydro than we have in the conservation division right now. This can only get worse. It cannot do anything to promote true conservation in Ontario.

I regret that I may be perceived at some future time as being opposed to conservation. Nothing could be further from the truth. Over the past almost six years in this House I have been a continuous and outspoken spokesman for true energy conservation, both quantitative and qualitative. We have not touched qualitative conservation in Ontario. We pay some attention to quantitative—that is, using less—but we are not paying any attention at this point to qualitative conservation, that is, utilizing the energies available to their highest end use.

If we bring in this bill as it stands and Hydro becomes the arbiter, any approach to qualitative conservation might well be forgotten. We know the self-interest that is naturally there will not allow it to happen. Therefore we are going to move an amendment in committee to delete that portion. If the government would choose to rewrite the bill and perhaps introduce it as two bills, then with some questioning and clarification we might be able to support the part that talks about the sale of heat, even if it is redundant. We wonder at this point if it is not redundant. But this other part, in my view, has

to be opposed unless we take it out of the aegis of Ontario Hydro and put it into an independent, objective body.

Mr. Cassidy: Mr. Speaker, I want to make some comments about keeping the promise, particularly since it was the NDP that promised to warm up Ontario, a campaign proposal that was eventually adopted by the government and is being implemented in the bill here today. Before I comment on that, I want to talk for a moment about the energy centre in the Bruce, which is also a subject of this bill, and about the rather insidious misuse of Ontario Hydro and the Ontario Energy Corporation which the Conservatives were guilty of during the course of the election campaign.

During the course of the election campaign the Premier (Mr. Davis), the local Conservative candidates, senior officials of the Ontario Energy Corporation and of Ontario Hydro all trooped up—great public expense was involved—to the Bruce during the campaign so that the Premier could make an announcement about the energy centre. I have here the brochure that was distributed at that time. Beautiful multicolour documents came out. Ontario Hydro, the Ontario government and the Ontario Energy Corporation are all given great billing. The Premier made a long speech, which was distributed under his seal as Premier of Ontario, and it was in fact a campaign event for the Conservative Party in the election campaign.

Do not shake your head, Mr. Speaker. You are meant to be impartial in all of this.

I took the liberty of writing to the Minister of Energy (Mr. Welch)—and I am sorry that he is not here in the House right now. It seemed to me, as somebody who is a taxpayer in the province and has some regard for propriety in these things, that if Hydro, which is a public corporation, and the energy corporation, which was involved as well, were lending their services to the Conservative campaign, at the very least the Conservative Party would have paid for those services, just as I assume the New Democrats would be expected to pay for a similar kind of show.

I asked if I could have a figure on the expenditures by Hydro and the energy corporation. I suggested that maybe the Conservative Party should plan to reimburse the province or Hydro for these expenditures in view of the electoral use the party made of them on this occasion. I asked the minister, in case he should decide to do so, how much he would reimburse.

The minister's letter did not happen to be so

frank as all that. I regret to say that, with all his regard for truth in government and for appearing to be without blemish, the Minister of Energy did not even mention that question in his reply. He said, "Neither the Minister of Energy nor any other minister was involved in the announcement." He thus ignored the Minister of Energy's responsibility for those public corporations, the Ontario Energy Corporation and Ontario Hydro, for which the government—the Conservative Party—is certainly never loath to claim credit.

He pointed out that the energy corporation fulfilled technical and public relations functions and then got paid by the participants in the agripark for doing that. Then he said, "Events that draw attention to the progress of the Bruce energy centre are eagerly sought." He said, "The decision to launch the energy centre was regarded by the charter members, private and public sector, as being important to highlight the significance of this development in the community. Elected officials and senior corporate executives who were present lent to the event the public recognition it deserves."

He does not comment on my point that there were not only elected officials there but also a number of officials who hoped to be elected, including the Conservative candidates from the area but not including the Liberal or New Democratic candidates from the area. They somehow would not lend the right tone to that event. Then the minister says, "The costs incurred by Ontario Hydro were no more and no less than those which it provides to any recognized public group interested in the Bruce nuclear power development."

That is very interesting to me as well. The member for York South (Mr. MacDonald) was a member of the election planning committee as well, but I do not recall any invitation to the New Democrats to see whether we would like to come along and perhaps either grace this opening or have a similar event with a similar attendance of the top brass of the energy corporation and of Hydro and so on.

The member for Middlesex (Mr. Eaton) laughs a bit. I am just suggesting that the letter clearly indicates that this was open to everybody, but that somehow they forgot to make the phone call to the Liberals or the New Democrats to suggest that we might want to participate as well.

The fact is this whole thing is a sham. Ontario Hydro and the Ontario Energy Corporation were being shamelessly politicized for the inter-

ests of the Conservative Party in its re-election campaign. As evidence of that I would point out that a meeting was taking place at the same time in Thunder Bay which was sponsored by private groups—not political groups but interest groups—who were concerned about the ecology of the northwest and the misuse of provincial parks and public crown land in the area. They were trying to get public dialogue over the strategic land use planning of the Ministry of Natural Resources. The minister is here at this time. The minister smiles because he knows how far out of court his ministry was at that time.

5 p.m.

They called the ministry's local office and said, "Would you please send an official to discuss it with us." Obviously the officials, in the case of the Ministry of Energy and its crown corporation, were not loath to come to meetings because they all showed up at the Bruce; however, in this instance they got a call back saying, "We are awfully sorry but we think it is inappropriate for civil servants to engage in any kind of dialogue of that nature during the course of a political provincial election campaign."

In other words there is one rule for Conservatives and another for New Democrats and Liberals. There is also another rule for people in the private sector who simply wanted to have some dialogue with what they thought was their government and who particularly wanted to put pressure on the government at the time of an election campaign.

Mr. Stokes: I was denied the right to speak in one of Nipigon's meetings.

Mr. Cassidy: There you are, Mr. Speaker. The member for Nipigon was denied the right to speak at one of these meetings.

The government comes up with the Bruce energy centre. There are questions we have about it. For example, what is going to happen to the greenhouse operators in the Chatham area and around Amherstburg who are now threatened with a loss of livelihood because of the transfer of greenhouses to the very heavily-subsidized agripark being set up in the Bruce? That question has not been answered.

Rather than coming forward with a program that would ensure the expansion of the greenhouse industry across Ontario the government has come up with a program that, with \$15 million in public funds, will ensure the creation of a hothouse-greenhouse industry in the Bruce and nothing more. None the less, we are supporting the bill.

The major portion of the bill relates to energy conservation. I want to talk about that for a while because the bill is drawn from some very good ideas proposed by the New Democrats in the course of the election campaign. But because of the obsession of the Conservative government with the nuclear power program and its obsession to justify the extent of the program in the province, the bill is badly flawed. But even in its present form it is a consequence of the NDP election campaign. It has not gone any further because there is still no genuine commitment by the government to energy conservation or to an understanding of the need to get off oil in our energy policy.

The government really thought this bill was important. While I have great respect for the new parliamentary assistant to the Minister of Energy (Mr. Andrewes)—I am sure he will do a capable job—the fact is that the Minister of Energy (Mr. Welch) is Deputy Premier. He has the clout, if he chooses to use it, to make conservation a way of life for every person in Ontario. That is something the parliamentary assistant has yet to show he is capable of. He is a new member from the back benches. He is not the Deputy Premier. I think the Minister of Energy should be showing, by his presence, that he has the commitment this kind of approach needs.

During the campaign I made a number of speeches on the question of energy conservation. I made a proposal called "Warm Up Ontario." We showed how "Warm Up Ontario" could save the people of this province \$10 billion in spending, on gas and particularly on oil, over the course of the next 10 years. We showed how, in this province alone, a "Warm Up Ontario" campaign could cut Canada's import of very expensive world-price oil by 14 per cent of the current annual imports. We showed it would be possible for people to cut their heating bills by half and this was only when we applied the "Warm Up Ontario" scheme to the residential heating market. We were not talking about commercial construction, shops or industry where conservation also has enormous potential to save on oil, gas and electricity.

I paid a visit to the home of George and Norma McPhail in Peterborough. Their home is just opposite the Sandford Fleming School. From the street it looks like a typical suburban one-and-a-half storey home. The only difference is that it has a large porch with large windows on the south side. This home was

designed to be so energy efficient that the cost of hydroelectricity, the cost of the heat pump operation, the cost of light, the cost of running the stereo, the cost of hot water, the cost of every bit of energy used for that home is less than what I and my family spend in the city of Toronto just to have hot water on a year-round basis.

Along with heating, for \$250 a year that family was providing electricity and light, was running the dishwasher and absolutely everything in a home which from the outside and the inside seemed to be almost the same as any other typical house of that size and income level.

During the election campaign I visited people at the University of Waterloo who have been researching an insultile, a simple device for creating insulated concrete slabs. They intend to build a house near Stratford which, using these insulated concrete slabs that are cheap to produce, would allow heating of the house for about \$75 a year compared to perhaps \$750 to \$1,000 a year for electrical, oil or natural gas heating. That is an indication of what technology can do with the climate we have to cope with in Ontario today.

In Saskatchewan, under the New Democratic Party, the Saskatchewan conservation house has succeeded in bringing down the costs of all forms of energy for a home. It is a bit different from the typical suburban prairie house but none the less provides for a normal suburban lifestyle.

That house is heated and lit and everything else for a cost of maybe \$75 or \$100 a year. That compares with energy bills for homes in Ontario today that run at \$900 or \$1,200. In the case of larger or less efficient homes the energy bills run at \$1,500, \$1,800 or even \$2,000 a year. The possibilities for savings are enormous. My regret is those savings will not be achieved with the half-baked program proposed in the government's legislation today.

The legislation does not concentrate adequately on conservation despite the fact conservation is only one quarter of the cost of new nuclear power capacity and perhaps half the cost of oil supplies imported into this province. The reason, quite simply, is there is an undercommitment to the whole area of conservation as far as this government is concerned.

In 1980 the government was so committed to conservation that it committed \$4.9 million to a campaign to help home owners make their homes more energy efficient. Over five years,

they intended to help 175,000 home owners. At that rate, it would have taken 60 years to have gone to every home owner across the province who needed help.

In the year ending March 31, 1980, the Provincial Auditor found the government was spending only 70 per cent of the funds allocated to the energy conservation program of the Ministry of Energy. That was not a one-year shortfall. There was a shortfall in 1977, in 1978 and in 1979. There is probably a shortfall again today. It has just kept on.

Even after additional staff positions were approved in early 1980, I recall my colleague the then member for Carleton Place, Ms. Gigantes, got up repeatedly to ask the Minister of Energy why it was, when the Legislature had given the ministry and the government the authority to move forward in the area of conservation and renewable energy, adequate steps were not being taken to use that authority.

Back in 1980, there was a ceiling of 54 people for the program and 21 were hired. In November we again asked what had been happening and we found that out of 47 positions authorized in the areas of conservation and renewable energy in April last year, only half had been filled. One asks if the government is really committed.

5:10 p.m.

I was in Peterborough and met the officials of the Peterborough Public Utilities Commission. In 1977, they instituted a program to help home owners insulate their basements and save in the use of all forms of energy, oil, gas and electricity. They went to Ontario Hydro and Hydro wrote a very supportive letter about how it was making every effort to foster conservation. It then proceeded to say that conservation was not in the mandate of Hydro and, therefore, not in the mandate of the Peterborough PUC and they were awfully sorry but while they supported the idea in principle they were not prepared to allow the Peterborough PUC to advance the funds to make the loans to allow the conservation to take place.

If Hydro found out in 1977 that there was a problem why did it not come to the government and look for a change in the mandate? I do not know. Why did not the government, with a Ministry of Energy, turn around and get a piece of legislation adopted in this House that would have changed the mandate? That legislation would have been supported. The minister or the parliamentary assistant knows that, but there was not a finger lifted in order to try and ensure

that the mandate would be changed. In fact, on the contrary, the government continued to stonewall efforts from various municipalities to move forward in the area of conservation.

I recall that it was less than a year ago, in October 1980, when we had a private bill from the city of Ottawa which requested that the city be given the power to have an energy use plan and power to require a minimum standard of energy efficiency before commercial developments could proceed. It was a good bill. It came from a progressive council in the city of Ottawa which has an NDP mayor, among other things. That bill would have allowed the city of Ottawa to insist on energy conservation.

The parliamentary assistant can explain part of what happened to that bill. He can explain why his party opposed it. Perhaps some spokesperson from the Liberal Party can explain why it is that when their energy critic professes to be so supportive of conservation, the Liberals joined with the Conservatives to defeat those sections of the bill that would have given the city of Ottawa the powers to insist on energy conservation in new private developments.

Mr. Kerrio: We understand how the member supports the government; we understand that.

Mr. Breaugh: That is no way to start a leadership campaign.

Mr. Cassidy: My goodness, when the member for Niagara Falls runs for the leadership he can explain that one. How is it that his party professes to support conservation, but the time it had the chance to support conservation for the city of Ottawa—the city of Ottawa is a good city too—the Liberals on the private bills committee quite adamantly opposed it because they felt there should not be that kind of interference with private enterprise. It is rather like the specious arguments that have just been advanced by the Liberal energy critic. He says that the Liberals are so in favour of conservation that they are going to oppose conservation as its proposed in this particular bill.

This bill is not perfect. It ties Hydro into promoting electricity rather than promoting conservation. None the less, it moves forward a substantial distance from where Hydro has been since 1908. If the Liberal Party of Ontario was really devoted to conservation it would be looking for some means to persuade the government to ensure that Hydro, which is a public crown corporation, would have a mandate to become a conservation utility. There is no use saying we will have an energy conservation

utility one of these decades when the Liberals ever take power in Ontario. That will not be until after the year 2000, if it ever occurs.

Mr. J. A. Reed: The one thing the member can be sure of is that he will not.

Mr. Cassidy: The fact is that what the Liberal energy critic is proposing is that rather than using a utility which now bills 99.5 per cent of all the home owners in Ontario, with the exception of a few people, a few industrial consumers in Niagara Falls and a few people who have their own privately generated electricity, he is saying to give them 10 years to set up a separate energy conservation utility.

Rather than using the utility that gets into every home with a bill every two months; the utility which has some 200 municipal utilities capable of having a direct relationship with local people; the utility whose municipal utilities are locally run, are locally directed, have locally elected or locally selected directors to carry out a program, the Liberals turn their backs on that mechanism and they say, "Give us 10 years to set up a separate energy conservation utility which will do the job."

Frankly, it is pie in the sky because they are not going to be in government to implement the plan. It is pie in the sky as well because they are turning their backs on the fact that Hydro, as a crown corporation, is there to respond to the mandate which is given to it by this Legislature. If this Legislature is prepared to tell Hydro what to do, and to tell Hydro to become a conservation utility, then by God that is what Hydro should become. If Hydro does not become a conservation utility and carry out the mandate and the instructions that are given to it by this Legislature then that means Hydro has spun out of control. That raises questions about whether the government is capable of actually ensuring that Hydro respects the wishes and the directions that come from the government and from the Legislature.

If Hydro does spin out of control, if Hydro has participated in a direction that says it will promote electricity rather than promoting conservation, it is because this government's commitment to conservation is so weak and so equivocal. I know the targets; I know the fancy documents. They come out every year or so, Ontario's Energy Future and so on. They come fresh-minted off the drawing board of some public relations man in the Ministry of Energy or in Ontario Hydro. We have had those "Preserve it, conserve it" ads, which I believe were far more dedicated to preserving the

Conservative Party's tenure in power in Ontario than to really assisting people who were trying to grapple with the very practical problems of what to do, where to go, where to get impartial advice, how to pay for it, how to know that a hired contractor is going to be a reliable contractor.

I recall the NDP's slogan during the election campaign to "Warm up Ontario." We said use the local utilities. As a matter of fact, I made my first speech on the subject a day after the BILD program came out. The BILD program said, and I quote, "Ontario and Canada must make a major effort to use less oil, if the goals of the national energy policy are to be met." Fair enough, but then the BILD program went on to say that the government intended to implement policies to assist home owners in converting from fuel oil to electricity, and that was all. Almost no mention was made at all of the need for conservation as a major thrust of the government.

We said local utilities should deliver a program. We said there should be an energy audit. We said people should come to the door and make simple improvements like weather-stripping. We called them house doctors. We said that through the local utilities, and through Hydro in the rural areas, impartial advice should be provided to home owners who wanted to improve the energy efficiency of their homes. We said there should be loans provided, and suggested \$2,500 at five per cent interest, in order to finance the conservation measure, or the change from oil to gas, or from oil to propane, or from oil to electricity, depending on what made sense. We said help should be given to find contractors, and we said there should be a final inspection to make sure the work had been done adequately.

Lo and behold on March 2, the Premier came along with his speech before the Ontario Municipal Electric Association, which looked as though it were drawn directly from the speech I had given a month or so before, outlining the NDP's "Warm up Ontario" campaign. And lo and behold, the Premier was promising a home audit program, an advisory service, a program to talk about the benefits of various kinds of heating systems—although he confined it to electrical heating systems—a loan program for \$2,000, rather than \$2,500 as we had recommended, and assistance to locate qualified contractors so there would be some assurance that the work was being reasonably done. In

other words, it was a straight steal, and the Premier did not even have the courtesy to give the credit to the NDP. I guess that is politics.

The government began with a very modest commitment, and it increased that commitment over the course of the campaign, because of what we talked about with "Warm up Ontario". But it still remained committed to getting rid of all that excess electrical energy being generated through the Darlington nuclear power plant and the nuclear power program in the province, electricity being generated far ahead of need, and, in many cases, that may never be needed in Ontario. That ignores the big question, the fact that this province now imports \$7 billion worth of oil and gas. By 1985, we will be importing from Alberta, and to a small extent from the rest of the world, \$12 billion worth of oil and gas, and the program involved in these amendments to the Power Corporation Act is inadequate, by a large measure, in terms of coming to grips with the need to get us off oil. It does not encourage switching from oil to forms of fuel other than electricity.

5:20 p.m.

I think there was a statement here the other day—or perhaps in the recent energy document—that we have enough natural gas in Canada to meet our needs well into the twenty-first century; we have enough natural gas that we can afford to take every domestic oil furnace in the province out of use and switch over to some other form of energy. The costs of doing that combined with the conservation program are, I suspect, a lot less than the costs of the program the government is suggesting for a switch to electrical energy.

Our number one priority in this province should not be on to electricity, it should be off oil; and that is not being implemented in this bill. I asked the parliamentary assistant if he would not talk about that during the course of the debate on this bill. Why is an amendment put in here—which we intend to have changed—that narrows the definition of power to electrical energy and leaves out the other forms of power that used to be covered? I would assume it once included such things as oil and natural gas.

Why is it the government intends to confine lending under this section to lending for systems of electrical heating and not for systems that might be propane or might include natural gas? Why is the intention here to encourage the conversion of space heating systems to heating systems based on electrical energy when often

that will not be the best deal? Why is it people whose advantage it is to switch to gas or to propane should be left to the clutches of Darcy McKeough and his colleagues in the private gas supply industry when in many cases people should get objective advice and maybe conservation loans from Ontario Hydro? None of those question is answered in this bill.

Why is it, as well, we are risking making such bad financial investments as are likely to flow from this bill? At \$2,000 per kilowatt in today's dollars for new nuclear power capacity, the cost of the added nuclear power plant needed to serve a home that is going to be electrically heated and is coming on stream will be something like \$20,000 or \$30,000 for 10 or 15 kilowatts of capacity. I have asked the minister for some precise figures, but that is the kind of range one is talking about.

If conservation can be carried out in many homes for \$2,000 or \$3,000, if conservation measures have the effect of creating jobs and saving oil or natural gas right now, then surely it makes more sense to put our dollars into that than into nuclear power stations like Darlington which involve billions of dollars worth of investments and no payback at all until the 1990s or beyond.

For example, just the interest on the power capacity required to fuel one electrically-heated house would be enough in one year to pay the cost of retrofitting the average house in Ontario—that is \$2,000 or \$2,500 at today's interest rates. The government has yet to come up with an explanation of what will happen to all of the added nuclear power capacity in, for example, June 1983 when the temperature will be at 20 or 25 degrees Celsius, as it is today, and when nobody is going to want the electrical heating system on.

Where is that power going to go? Is it just going to spin idly? Or will nuclear power plants which are built to run at 80 or 90 per cent of capacity on a year-round basis be running at 40, 30 or 25 per cent capacity and therefore bankrupting the system? We cannot afford the capital costs if the nuclear power is not being generated almost on a year-round basis.

The government talks a good line on electricity, but it is distorting the priorities for Ontario to the point where we are spending \$6.8 billion on Darlington over the course of the next seven or eight years and yet over the next five years the government is spending only \$1.5 billion on all of the BILD program—that is including federal and private spending—and the BILD

program is meant to encompass whatever spending will go into the energy conservation measures that are being proposed in this particular bill.

I want to suggest as well that if the government could get its courage up to move into making Ontario Hydro a conservation utility and not just a utility whose job it is to peddle electricity, then we would find enormous benefits for the province at a time when we have 300,000 people unemployed. We did some estimates which indicated that jobs can be created now for the kind of warmup campaign the New Democrats have been proposing and will continue to propose.

We propose that the house doctors, for example, could be working by August if the government was really serious about energy conservation. We foresaw as many as 1,000 house doctors being trained and going out across the province to help people learn how to save energy. That is 1,000 jobs for 10 years. We foresaw about 9,000 jobs in retrofitting in the construction industry to put in insulation and to make the other changes and improvements that would allow people to cut their energy bills. We foresaw 4,000 or 5,000 jobs in the area of the industries that would produce fibreglass, and other insulation and conservation products. That could be done here in Ontario. Those jobs could be geared up, not in the course of 10 or 15 years, but starting now.

We looked at such things as the imports of conservation products that could be produced here. Two years ago it amounted to \$102 million worth of products that could be made here in Ontario. These are such things as the new efficient gas furnaces which could be encouraged if Hydro's mandate was not being so limited as it is in this particular bill; and such things as \$7 million worth of doors being imported into Ontario from the United States, when we could be making those here and they could be creating jobs for Ontario's workers. There are such things as another \$65 million worth of conservation products which are in demand in the rest of the country, much of which could also be produced by industry here.

So what we are looking at is this: On the one hand, while the program launches Hydro in the area of conservation it is quite inadequate in terms of how far it could go in giving Hydro responsibility for being a conservation utility; on the other hand, we are looking at a program that will save dollars, create jobs here in the province and that will create those jobs now and

will help in a very major way to reduce Ontario and Canada's dependence on imported oil; whether that oil is imported from the sheikhs of Arabia, Venezuela or from the Premier's Conservative colleagues in Alberta.

When 15,000 jobs could be created, the government is really at fault for coming up with a proposal that will create only a few hundred jobs. When we could be saving 14 million barrels of oil per year by means of an effective off-oil program and energy conservation program carried out by Hydro, the government is at fault for imposing new taxes and for not being prepared to carry through in order to make necessary and potential savings in terms of the oil we could be saving.

When there are savings for the consumers of this province of \$1 billion per year for their home heating, it is not good enough for Hydro to send energy auditors around to peddle more electricity in the name of conservation. While we support the bill, I fear that is all that can happen unless there is more of a will for conservation shown by this government than it has ever shown us in the past.

While we support the bill, I am making some suggestions where we believe the bill can be made a lot tougher, Ontario Hydro's mandate can be made a lot more definite and Hydro can lead the way in North America in terms of ensuring that Ontario conserves energy rather than squandering it.

5:30 p.m.

Mr. Kerrio: Mr. Speaker, I would like to speak to the bill. We support it in principle because it has an area worth considering in putting to good use energy from our thermal plants, but I am afraid I have to part company with anything in the bill that smacks of a real effort to talk about meaningful conservation.

This is not really a conservation bill. One might say this is a bill to justify bad management of Ontario Hydro and that in lieu of good management, good load forecasting and building a Hydro that would supply the needs of the people of Ontario, we have a bill here that would attempt to substitute electricity while we should be going to many different areas that would make a great deal more sense in relation to true conservation.

When we talk about conservation and think of the modern times we are in, of the research capability that exists throughout the province and the great strides man has made in space, it is incredible to think that in this day we have not even harnessed the simple passive rays of the

sun. We have not even gone to the simple changes in building codes that would allow houses to be insulated to the point where it makes some sense.

While the government puts bills before us that appear to have some credibility, it is incredible to think in this day and age we would be heating swimming pools, for instance, with electricity or natural gas when there is a simple form of solar panel basically used only in the summertime. It already has a circulating pump on it. We do not see fit to pass amendments to the Building Code Act to see that those energies could be saved immediately, not five or 10 years down the road.

To think that there are no changes in the code! There are two-by-four walls in some of our homes; when they are cut down to the size the lumber yards provide, one does not have adequate space to put in any kind of insulation. One thinks of heating one's home where one has an automatic damper in the furnace in one's basement that has a constant flow of heated air going up the chimney.

It is incredible to think a government could sit there and talk about being modern, being interested in the people of Ontario, doing something in the forefront of this great energy process and fall completely flat when it comes to putting in the simplest forms of solar and other types of heating that would save a great deal of energy and money.

The other thing that is happening to us that the government must be fully aware of is we have passed those years when it seemed we had unlimited funds to do some of the things that may have been worthwhile. Now we are looking to do things that would put all the expense and onus on other people in the province. The government sits over there without having made any move at all towards a really meaningful program as it relates to conservation.

We could draw up a list as long as one's arm that would have to do with alternative fuels, with setting up a corporation—and this is where we part company with the Socialists—that does not have a vested interest, a corporation that would truly be an energy corporation. It would not represent Ontario Hydro, the gas companies or the oil interests. It would sit there and in an impartial way make determinations as to what is best for the people of Ontario. That cannot be done by Ontario Hydro in any way, shape or form.

Let me bring this point to bear. If we were to set up such a corporation that would truly look

into what is in the best interests of the people of Ontario, it might consider a plan I have put to the Premier (Mr. Davis) on more than one occasion. I would like to repeat it now because I think it has some significance in relation to this bill.

In regard to saving energy coming from offshore, I do not consider like our Socialist friends that if one brings energy from another province one is importing it. I think we are fighting for the very life of this great country of ours in trying to bring it together and I do not see anything wrong with talking about dealing with Alberta and taking oil or gas from Alberta if it is a better way to go.

My proposal would be that because Canada has a tremendous supply of iron ore in the ground it has the capacity to melt that down, smelt it and make the finest steel in the world. Not many people know, and I suggest this might come as a surprise to some people, that the private enterprise group of steelmakers in Canada happen to be the best in the world. They do not ask any help from government or anybody else in that business. We just happen to have the best people in the world, in comparison with Germany, England, Japan or anywhere else. We should support that industry, because it works in the form of private enterprise.

I suggest if we were to make a determination to substitute gas for oil in this province—I mean gas that comes from the west—with a pipeline, we have the ore here in Canada, we have the smelters here that make the steel, we have one of the most modern pipe mills in all the world in Welland, Ontario, which can produce 2.5 miles of 36-inch pipe every day; we have the Canadian talent to put that in place.

That is my idea of going to a program that would save bringing oil from offshore. It would let us provide jobs and finished products rather than putting the pipeline out west and sending our gas down into the US and providing them with nice clean power.

The Deputy Speaker: You are going to tie this into the bill? You are speaking to the bill?

Mr. Kerrio: Certainly I am speaking to the bill. We are talking about energy conservation. I am talking about this government thinking that if we use electricity we are conserving energy. I say we are not. I think if we bring coal in from offshore and burn it we are certainly not saving any kind of energy when we decide to substitute electricity for oil that comes from Arabia. I fail to see that as a valid argument to make in the face of this bill before us.

The crux of this whole discussion is that if we are going to have a proper energy conservation program, a corporation will have to be set up that does not answer to any interest group, that will look out for the best interests of the people of Ontario. Whether it used gas from Alberta or nuclear power from Ontario or the best power of all, hydraulic power from Niagara Falls, we would have a corporation that would be truly looking after the best interests of the people of Ontario and not tumbling over themselves for any power group like the one in that glass building just down the street.

I may have wandered just a little, Mr. Speaker, but I think you might agree that in the fullness of argument and discussion this would be a true proposal for energy conservation that would be in the best interests of the people of Ontario.

Mr. MacDonald: Mr. Speaker, I think I can fit my comments succinctly into the time before we break for the evening meal. I listened to the concerns expressed by the Liberal Party with regard to the dangers of using Ontario Hydro as an energy conservation utility. To a small degree, I share some of those concerns. But I make this point, which my leader has already made, that the main problem in Ontario in terms of an energy conservation program rests right over there with the government.

It has come to the realization of its validity very late in the game. It is pouring out reams of rhetoric on paper—the Minister of Energy (Mr. Welch) speaks five times a week. I know he is preparing for the next leadership contest, but he speaks five times a week. Consolidated-Bathurst and other paper companies must have increased profits stemming primarily from the Ministry of Energy here in Ontario.

5:40 p.m.

But the significant thing is that the amount of money being spent on conservation in Ontario is a few million dollars. This is in contrast to the fact that this year Ontario Hydro is going to be borrowing \$2.3 billion, most of which is going to be used to extend its current generating capacity; and most of that new generating capacity is nuclear. I will come back in a moment to the fact that it is not going to be needed; certainly it is going to be available far in advance of the time it might be needed.

So our main problem is that we need a real commitment to an energy conservation program. This government has not really worked that out. There have been tons of rhetoric but no actual program.

The concern of the Liberal critic was that under the cloak of conservation we were really going to be adding to the thrust of selling electric power and therefore justifying the overexpanded system. That is a legitimate concern. But as my leader has pointed out, if we have a government that is really committed and is willing to put the money behind a conservation program, and if it passes this bill which says that Ontario Hydro is going to become a genuine conservation utility, then we have the whip hand to make certain we move in that direction.

I know that Ontario Hydro, led by the Premier (Mr. Davis) and now the Minister of Energy, is talking about electric power and the switch to electricity as being the answer to our overcapacity. It is not happening, and I want to suggest it is not likely to happen. In 1979 there was a 2.9 per cent increase in electric energy sales in Ontario. The year before it was 2.7 per cent. In 1980—and let this sink in—there was a 0.8 per cent increase over 1979.

So that is what is happening to this massive expansion. In spite of all the rhetoric and all the speeches that come from over there it simply is not happening. The government is not going to persuade people to use electricity to the extent it wants, even though it has that overcapacity sitting there.

After some intensive digging a week or two ago in this off-oil-to-electricity idea, which is now the major thrust on the government side, I was interested to discover that they hope to convert an average of about 21,000 homes a year over the next 10 years. May I go to an authoritative person—and I am sure no one on the other side of the House is going to deny this—Darcy McKeough? In the instance of off-oil-to-gas it is 42,000 homes a year—at least that is what Darcy has told the public. They are now engaged in that kind of conversion program.

So the prospect that Ontario is suddenly going to switch to electricity simply is not justified by the cold, hard facts apart from the rhetoric of the Premier and the Minister of Agriculture and Food (Mr. Henderson).

This bias towards using electricity is, I grant, a matter of concern. I share this concern to some degree with the energy spokesman for the Liberal Party. It is not going to work; the people are not going to fall for it. They are switching to gas—they are doing what the Minister of Energy said a year or so ago they should be doing before he got whipped into line and caught up in the

propaganda theme of the government and Hydro, that we should switch to electricity instead.

This is where I come back to this incredible proposition that Hydro will be borrowing \$2.3 billion in the coming year, most of which will go into expanding our nuclear generating capacity to even more than we have now. We found in the select committee—I think you were on the committee at that point, Mr. Speaker, or perhaps it was before you came on the committee—if the annual increase in the sales of electric power in this province were dropped to two to three per cent, Darlington would not be needed until the years 1996 to 2004. In the last three years the growth has been 0.8 per cent, 2.9 per cent, and 2.7 per cent. We are down in the range the select committee predicted likely for the long term, though Hydro has had to pull it down from 4.6 per cent to 3.4 per cent, and then to 3.1 per cent. I suspect that by next year they will have to face the reality the select committee discovered.

We are building and spending money in developing an already -oversized system when the redirection of that money for conservation would save energy. It would have a genuine energy conservation program instead of what is the danger here if we do not get a greater commitment from the government and make certain that Hydro becomes an energy utility in real fashion.

May I digress in this connection? I understand in the next few days on the other side of the House, among the powers who really decide these things, the decision will be made as to whether the government is willing to establish a select committee on energy. I hope, as Hydro has said they hope and as the Liberal Party has said they hope, that the government will do it. If there is one thing that would well serve the people of Ontario it is to have a committee that operates as the select committee on Hydro affairs did, but in the broader field of energy. One of the areas that should be looked at is how one builds a genuine energy conservation utility.

Many of the utilities in the United States are headed in that direction. They are far down the road. They are not at the stage of just passing legislation now to authorize it. By examining programs and making recommendations that kind of committee could provide a very useful purpose in stepping up an energy conservation program in relation to Hydro and making certain it does not have that excessive bias

towards electricity, and that it would make the best end use of all the various alternatives into view.

A second thing in this bill I commend, which makes it worthy of support, is that in the latter portion it extends this same capacity to the local public utilities. I will not go into the details. My leader pointed out what happened in Peterborough a few years ago when they came up with a program in which they were going to fulfil what nominally was the objective of this government and of society as a whole—saving energy. They came up with a program by which the local public utility would provide the money, would take it back in monthly payments along with the electric bills, and they were told they could not do it because the Power Corporation Act and the Public Utilities Act would not permit it. It has taken them four years to get around to removing that statutory or legal roadblock to what the local public utility is doing. This should be supported, if for no other reason than to permit those 200-plus local power utilities to get into the game.

Let me switch to a final comment with regard to the observations of the Liberal energy spokesman concerning whether or not we need a bill like this to give Hydro the right to do what presumably it is now going to have the right to do under this statute. His argument was that the definition of power under the existing Power Corporation Act gave Hydro all the power it needed. I am inclined to agree with that, but I am told that the lawyers—and God help us when the lawyers get in on it—have said it is not clear, that it was open to an interpretation that might be challenged in the courts, or something of that nature.

Therefore, if the lawyers have persuaded the government and Hydro that we need to have these changes, then let us welcome them so that we can get on with the job. I hope in the process they are not so redefining it that they are not assisting in this more restricted focus on electricity. The original definition of power covered the range and Hydro had the right to move in on it.

In conclusion, the government's rhetoric suggests we should be moving to a switch to electricity and therefore using that bias to turn this energy conservation program into one that is directed in one exclusive direction rather than into the many directions it should if there is to be genuine energy conservation.

5:50 p.m.

Even now I share the concern about this government having a very limited commitment, beyond the rhetoric, to a genuine conservation program. But at least this bill is going to give us a weapon to persuade the government—to whip the government if you will—into a more intensive program.

It will also make certain that Hydro and all of its facilities will be retained, rather than that dream world of a new corporation the Liberals have come up with. That would have to be built and all its infrastructure would have to be established before it could begin to do the job. Hydro has all of that. All we have to do is make certain we in this Legislature establish a statute and that Hydro abides by that statute to use all of the existing infrastructure—its engineering, its billing procedures and everything else. And we have to make certain the conservation program proceeds.

The Liberal energy critic wants the floor again, Mr. Speaker. If it does not violate the rules unduly, I do not give a damn if he gets it. Thank you very much.

The Deputy Speaker: Are there any further speakers on this bill? It being close to six of the clock it might be appropriate at this time to recess the House until eight of the clock.

Mr. J.A. Reed: Let us finish the bill, Mr. Speaker.

Mr. Mancini: We've got five minutes left.

The Deputy Speaker: All right. Would the parliamentary assistant like to make some comments in five minutes?

Mr. Andrewes: Yes, Mr. Speaker. I will try to be brief and make my closing comments in the allotted time.

The honourable member for Halton-Burlington (Mr. J.A. Reed), questioned the purpose of the bill which is really to give Ontario Hydro the authority to go out and sell more electricity because the government and Hydro are embarrassed about the huge surplus capacity of Ontario Hydro. With greatest respect, the purpose of the bill does not enable Hydro to carry out this kind of a program. It is to enable Hydro to carry out an energy conservation program and to sell steam and hot water.

The purpose of the energy program as set out in the bill is to encourage the safe and efficient use and the conservation of all forms of energy. That is section 58(a)(2).

He also questioned the loan being limited to the electric power and not to other forms of energy. In answer to that, the loans are designed

to cover other energy conservation items—insulation, weatherization, certain wiring improvements and additions to enhance conservation in electric heating.

Mr. J.A. Reed: It says right in the bill it is specific and exclusive to electricity.

Mr. Andrewes: I agree with the honourable member that it does not cover gas but the audit is not restrictive. The audit does not require the home owner to undertake electrification. It makes suggestions. The loan is designed to fulfil these suggestions.

He also questioned why the legislation is needed, given the existing definition of power in the present Power Corporation Act. The legal opinions from advisers within both the Ministry of Energy and Ontario Hydro as well as legal counsel from outside indicate that within the body of the existing act the use of the word “power” really refers to electrical power and is not as all-encompassing as the definition would imply. This revised definition removes some of the confusion and limits its meaning simply to electrical power, including electrical energy.

From that point on, certain new authorities for heat energy are clearly required. It invites the question, does this give an exclusive right to Ontario Hydro over steam, as it does over electricity? No. This is enabling legislation with respect to Ontario Hydro only. It neither grants, nor does it inhibit, authority for the private sector, for municipalities or other agencies to produce and sell steam and hot water.

Mr. Wildman: If this is your speed when you do not have much time, what is it when you have lots of time?

Mr. Andrewes: I am being encouraged here.

The Deputy Speaker: Not too much because you have about a minute left.

Mr. Andrewes: I will try to be very brief. The honourable leader of the third party suggested the bill does not have a strong commitment to conservation, as the “Warm up Ontario” bill does. I would have to agree that this bill does encompass certain of the views of the “Warm up Ontario” bill. I think the only real difference is that this bill does not meet the suggestions of the New Democratic Party with respect to the interest rates. In terms of the estimated impact, I think Ontario Hydro anticipates oil savings, in their rural areas alone, of 880 million gallons over the next 10 years.

In regard to his question as to why we should encourage electrical heating, given the high cost of nuclear power versus conservation or versus the use of natural gas, this program supports conservation, as well as the off-oil program. Construction of additional nuclear capacity at Darlington, for instance, makes good economic sense at this time. It allows the displacement of higher-cost fossil fuel plants and it allows this government to exemplify its commitment to reducing air pollution from fossil-fuel generation.

The Deputy Speaker: Speaking of sense, Mr. Andrewes, will you be continuing on at eight o'clock?

Mr. Andrewes: Mr. Speaker, I would respectfully suggest that the bill be put forward for second reading at this time.

Motion agreed to.

Ordered for committee of the whole House.

The House recessed at 6 p.m.

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Ontario LEGISLATIVE ASSEMBLY

No. 49

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First Session, Thirty-Second Parliament

Tuesday, June 16, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 16, 1981

The House resumed at 8 p.m.

CONSOLIDATED HEARINGS ACT

Hon. Mr. Norton moved second reading of Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Hon. Mr. Norton: Mr. Speaker, I made a statement about the background of this bill at the time of its introduction for first reading in the House, and I will not reiterate the information I presented to the House at that time. I will abbreviate my remarks considerably so as not to cut into the time I am sure the honourable members wish to use to address the second reading of this bill.

I wish to point out once again that in principle this bill is designed to provide for a single hearing in those situations where a project brought forward by a proponent might otherwise require a multiplicity of hearings under two or more pieces of legislation within the jurisdiction of the province. The bill will provide for a streamlining of the process which in our opinion will be in the best interests of the proponents and other parties who wish to participate in those hearings. We hope it will result in a more expedient and less costly process for those involved.

Particularly important in our consideration of this bill is the fact that it was the commitment to proceed with a consolidated hearings bill that was instrumental in persuading municipalities to go along with their inclusion under the Environmental Assessment Act of this province. I hope the honourable members will bear that in mind in the course of the consideration under second reading.

Mr. Kerrio: Mr. Speaker, speaking to Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature, I just have a couple of questions because we are prepared to support this bill in principle.

I wonder if the minister, if he is making notes, will tell me whether there is any loss in any specific area in the combined hearings. In the event we consolidate hearings, do we lose any special protection in any specific area related to

hearings under this act? I think that will be of prime concern in relation to the consolidated hearings.

Mr. Speaker, excuse me while I look through my notes here. If there is a chance there may be loss in any specific area, if there is any circumventing of existing regulations in any particular area, we might have an opportunity to go into various aspects of the bill to get into specific wording because I have some concerns as they relate to wording. That is why I am a little at a loss until I straighten out my notes.

I do not know whether I should go specifically into these areas in this aspect of the presentation of the bill, but section 1(f) says " 'person' includes a municipality, Her Majesty in right of Ontario, a crown agency within the meaning of the Crown Agency Act, a public body, a partnership, an unincorporated joint venture and an unincorporated association." I suggest that, in keeping with the intent of the act, we will have to include officers and directors of a corporation in that section.

Section 1(g), which refers to a proponent as meaning "a person who carries out or proposes to carry out" the whole aspect of the act, should also include officers and directors of corporations.

Section 2 says the act "applies in respect of an undertaking in relation to which more than one hearing is required or may be required or held by more than one tribunal under one or more of the acts." I suggest that at that juncture it should read "act or regulation," as it applies to this particular bill.

Under section 3, I think the minister will have to include, after act, "an enabling provision," which would be very important to the meaning in interpreting this act.

I wonder if I can get from the minister a feeling as to whether he might allow this act to go to committee, instead of me going through this and showing him my concerns as they relate to sections of the act. I would like to get a feeling that we might put it to committee and in that way take these sections clause by clause. If I do not have that kind of determination, I will have to put it on the record. Was that his intention, or is that a good question to ask?

The Acting Speaker (Mr. Cousens): You have the floor.

Mr. Kerrio: Can the minister reply?

Hon. Mr. Norton: I am prepared to agree to this bill going to committee provided there is some undertaking from the honourable members of the Legislature from both sides of the House that, since the time which remains before committee would be limited, it will be reported back to the House prior to the end of this sitting so that it can be considered finally by the House before the summer recess.

Mr. Kerrio: That is why I was groping through my files here to get the actual clause-by-clause problems that I had to deal with. If that is the commitment the minister makes, then I can make my comments—

Mr. Nixon: We undertake not to adjourn the House until you are ready.

Mr. Kerrio: My comments can be very brief then. In principle, we support the bill. The fact that the minister is prepared to consolidate hearings under certain acts of the Legislature is a meaningful step forward in the process of getting and expediting of certain aspects of environmental assessment.

I should not say this to the Speaker, because he is liable to call me to order—I should not suggest I want to digress from the intent of the bill—but the fact of the matter is that, while we are consolidating on the one hand, we are sort of going off on a tangent as it relates to the minister's other bill that is coming up later this evening. We will deal with that when it comes to the floor.

All I should say then, at this juncture, if the minister is willing to allow us to debate this clause by clause, is that the intent of the bill certainly is a good one. To consolidate the hearings to allow people to make one presentation before various boards and corporations is vital to speeding up the whole process. On that basis, we will deal with the bill clause by clause at the appropriate time.

8:10 p.m.

The Acting Speaker: Mr. Cooke.

Mr. Charlton: It is Mr. Charlton, sir, although that mistake has been made on a number of occasions. I am not sure why.

Mr. Cooke: Neither am I.

Mr. Charlton: Mr. Speaker, I rise to speak on Bill 89, and I say at the outset that after some deliberation we are prepared to support this bill

on second reading, although we have some serious reservations about a number of sections in the bill.

Earlier this afternoon we spoke to the minister briefly, but not in much detail, about some of our reservations. I will try to lay some of them out now so that perhaps we can discuss them between my comments, the comments of my colleagues and the minister's response.

It is my understanding that we will be taking this out of the House into committee for a couple of days in an attempt to clarify a number of things, but not to delay the bill unduly.

The principle of the bill, the principle of attempting to deal with some fairly lengthy delays that the present legislation provides, is a supportable principle. Over the past number of years we have heard complaints from a number of sectors in our economy, specifically from the construction and development sector, that the bureaucracy, the delays and the red tape are serious problems. Like the government and the municipalities in this province, we can understand and seriously want to deal with delays that might result from imposing the Environmental Assessment Act on municipal projects without this kind of legislation.

On the other hand, there is a small item of principle that causes us some problems. I think they can be resolved in discussions over the next week. But we have the problem in principle of the question of protest and opposition and their effectiveness, as opposed to streamlining the system. It becomes clear very quickly that in terms of a community, or a neighbourhood in a community, or a special interest group in a community, or the people on a street, or whoever is opposing a particular project, the more often they can have a kick at the cat, as the expression goes, the more often they can take a shot at that proposal, the more they can delay that proposal, the more likely it is that the particular group, municipality, community, neighbourhood, whatever it happens to be, is going to be able to defeat that proposal. Delays can ultimately cause the end of the project, and in some ways the length of the process can be a safeguard for the public.

On the other hand, we also fully understand the very detrimental nature of delays in some situations and the very costly nature of delays in many situations.

However, we have to resolve that very basic question about whether this legislation is going to provide as effective a tool for the public in terms of opposition to a particular proposal as

the present process does. I am not sure that the legislation as it stands does that. As I said to the minister earlier, I am sure we can resolve that over the course of the next week or so.

We found a number of specific problems with the bill, and I will run through them for the minister. At least one of my colleagues will be speaking tonight and he may talk about problems I have not seen, but section 5(4) raises the first serious problem I see. Here we deal with the question of a joint board and its ability to defer a matter or part of a matter. This section gives that board the ability, in a deferral, to "impose such terms and conditions or give such directions or both in respect of the proceedings or the matter or part deferred as the joint board considers proper." For us, that section is a little loose and ambiguous in terms of what power that gives this joint board.

Section 5(4)(b) says, "A joint board may direct that the matter or part deferred be decided without a hearing." The meaning of that is a little vague. It also raises the spectre of some potential problems, for this caucus at least, in terms of what power that grants and what kinds of things these joint boards may determine shall not have a hearing at all. This goes back to the question I raised about the public's right to oppose in a substantive way.

So section 5(4) creates some serious problems for us. While we understand the minister's and the government's feeling that we have to streamline the process, we have to protect, at all cost, the public's ability to make sure the best things are happening in the public interest.

As we have suggested over the last number of months, we do not want to see matters that should be clearly and publicly dealt with at public hearings moved out of the public hearing sector. During the past year, we have complained that the minister or the cabinet has exempted particular projects from public hearing under the legislation that exists in this province. Our question here is whether or not these sections, in legal terms, will allow this single hearing that is going to be created to exempt some of the things we have complained about ministers and cabinets exempting.

The second problem I see with the legislation as it is proposed is in section 5(6), which reads: "A joint board may make any decision mentioned in subsection 2 without holding a hearing if the joint board is satisfied that in the circumstances a hearing would not be required or would be dispensed with under the act

specified in the schedule"—the schedule referring to all the acts covered by this piece of legislation.

It seems to us that, although that section is not quite as wide open as subsection 4, subsection 6 is somewhat vague in terms of definition. It is not specific about what this determination on the part of the board should be and how that determination should be reached. In other words, it is the same question raised under the last section about the board's power to get around the hearing process and public input into the decision-making process in terms of major proposals that may be made.

8:20 p.m.

We next found some problems with section 8(3). The definition in this subsection, as well as the intent, is a bit vague. Perhaps the minister can clarify some of this. Subsection 3 seems to say the joint board, set up to deal with a situation under this act where more than one of the acts listed in the schedule come into play, can have a look at those interest groups that are requesting permission to make presentations for or against the proposal.

It seems the board has the power to decide who is going to represent those classes of complaint or support and has the right not only to decide who will make presentations in the hearing process but also the right to decide that certain groups shall not make presentations since they have already been adequately represented because of other board decisions. That seems to us to be a section of this bill that requires some particular and careful thought.

As it reads now, it does not appear to be acceptable to us in terms of protecting the rights of groups or individuals in the public to have their say before the decision is made. It is not clear to us in the decisions of this joint board that is set up who can adequately represent all those groups that may fall into a particular category. It is not clear to us that whoever the board suggests should represent them can adequately reflect all the concerns and/or facts they may have to bring to bear.

The fourth concern we have with specific sections of the bill concerns section 8(4), wherein the board will have the power to specify any additional persons who will make presentations in the hearing process under this act. This seems, in conjunction with subsection 3, to give the board the power to decide without hearing the full extent of their case, without hearing the facts of their presentation and without hearing all the things an individual or group may get into.

This seems to give the board the power to decide who is relevant and who is irrelevant to the matter the board is hearing. That to us does not seem to be a clear-cut or fully appropriate process in terms of protecting the public's right to oppose a proposal in a municipality, community, neighbourhood or even on the street, as the case may be.

Those are basically the sections that cause us some concern and on which we wish some clarification. They are sections we want to see discussed in the committee, even for a short period of time. Perhaps there could be some input from some of those outside the Legislature who are familiar with the processes under all the acts this bill covers and around which it proposes to consolidate the hearing process.

That brings me to the next point in my comments tonight. I am not sure whether the minister can respond to this. I have been through this act a number of times over the last week or so, and I have been through the bundle of material that was sent over to me. I have had a particularly difficult time getting a handle on all the ramifications, all the possibilities of what this legislation will do in relation to all the acts it attempts to consolidate in one hearing process.

The reason that is true is that all these acts are not necessarily homogenous. In some cases—not in every case, but in some cases—sections of these acts contradict provisions of sections of some of the other acts.

For example, and I mentioned this to the minister earlier this afternoon, I have had comments from at least one group now opposing a particular proposal who at least feel—and the minister may be able to clarify some of this—that their opposition could be somewhat limited under a consolidated process such as that laid out here because of the lack of clear definition.

The minister may be able to tell us that he is going to deal with that in regulations, and he may be able to lay that out clearly for us.

The group I am referring to is a group in Hamilton called the Save the Valley Committee. It is a committee opposed to the proposed Redhill Valley Expressway. That group is somewhat concerned about proposals that the Ministry of the Environment has made to it about consolidating hearings under the Planning Act and the Environmental Assessment Act.

The group fears that the Planning Act is restrictive in its terms of reference as to what the Ontario Municipal Board is able to hear on

an application, while the Environmental Assessment Act is broader and more permissive as to what can be looked at by an environmental assessment board.

The Planning Act is restrictive in the sense that it says that the Ontario Municipal Board will look only at the proposal that is before it and make its decision, for or against, on the specific proposal's own merits.

The Environmental Assessment Act, on the other hand, allows for a much broader debate, a much broader discussion and a much broader decision. The Environmental Assessment Act allows one not only to look at the specific proposal but also to consider alternatives and to weigh all the pros and cons not only of the proposal but also of the alternatives.

In the case I have just cited, the fear has been expressed to us that, if there is no clear definition in this consolidation act of which rules will prevail—and there are other contradictions in the half dozen or eight or 10 acts that are involved here—the consolidated and combined hearing can become restrictive, whereas the two-hearing process that we have now allows one in the one instance to deal with the specific proposal and in the other instance to deal with the broader range of issues and alternatives.

Our concern here is that over the course of the next week in some way we should not only answer the questions I have raised tonight but also try to tighten up the wording of this piece of legislation in a specific way so there will be no misunderstandings on the part of the public or on the part of those who are setting up the tribunals and laying out the rules for the chairmen and members of these tribunal boards.

8:30 p.m.

If there is a question when two acts are combined in the hearing about which rules apply—which rules apply in the sense of whether they lean to the more restrictive of the two or to the more open of the two—I think we have to deal with this area before we, in this caucus at least, are prepared to give this legislation third reading and allow it to go into effect.

As I said at the outset, we can support the principle of what the minister and the government are trying to do in this piece of legislation. We can support it, because there have been a number of very serious problems out there in the real world in terms of the effectiveness of all of these pieces of legislation. There have been some problems out there in the real world in terms of costs. There have been some problems

out there in the real world not only in terms of the costs of public expenditure but also in terms of costs by public groups having to oppose a particular proposal through three or four different hearing processes.

There have been delays, and sometimes there have been undue delays, in a particular proposal finally getting permission to go ahead. We understand that, and we want to be as co-operative as we can in terms of seeing that principle and that aspect of the problems out there being dealt with effectively through whatever legislation we finally pass.

At the same time, we want to be sure that whatever legislation we pass will protect the public and ensure that the public is not left in a bind where it is restricted by the most restrictive legislation in this package and has lost the flexibility of the most flexible legislation in this package.

We want to be sure that the reverse is true and, if we are going to have combined or consolidated hearings in terms of the way the minister has laid out the name of this piece of legislation, that the more flexible approach is the norm.

We want to be sure that there are definitions of those things in this piece of legislation that the minister and his staff, when they were drawing up this legislation, intended should be excluded from the hearing process from time to time so we know that what may be excluded are not substantive things and that they are perhaps things of a technically inconsequential nature.

We certainly do not want to see the boards having the power to do what we have complained about over the past year, and that is what this government and what this ministry may do in terms of totally exempting proposals in this province from the legislation that exists.

We do not want to see some board out there all of a sudden having that power, and we want to ensure that whatever process we come up with is a process that is workable not only in terms of streamlining but also in terms of the public's right and ability to defend communities, municipalities, neighbourhoods and so on.

With those comments, and having laid out those reservations about this piece of legislation, I repeat again that I am sure, in terms of what seems to be fairly universal agreement with the basic principle of the bill, we can work out the assurances, the definitions and the clarity we are looking for in this piece of legislation in fairly short order.

Mr. Nixon: Mr. Speaker, we are used to having a succession of Ministers of the Environment who were aggressive and high-profile, full of initiative and fight, and it is rather a relief to have the present minister assuming his duties.

The bill before us is really a result of many years of this aggressive, high-profile, hitting-the-table leadership in the Ministry of the Environment, going back to the time when the member for Burlington South (Mr. Kerr) was the minister. I well recall him hitting his desk over there—he split the thing—saying that the polluter should pay. “The polluter must pay,” I believe was the phrase. We have been trying to hold the government to that all these years, but I think it was just before the election of 1975 that the leadership of the government got carried away with what we felt was a lot of good initiatives involving environmental assessment.

I recall many of the debates in the House in which we urged the government to take these steps, which largely went for nought politically, when most of the concepts were accepted and we established the Environmental Assessment Board, and even before that, going back before 1971, to matters pertaining to expropriation under the Expropriations Act, which was entirely renewed, renovated, set right before the election of 1971.

Now the chickens have come home to roost, and the minister, who is not supported tonight by the Minister of Transportation and Communications (Mr. Snow), has found that all these blooming boards think they are supposed to hold hearings. They have the preposterous idea, in the minds of the government or of some members of the government, that these hearings are supposed to be, at least in part, independent. They have the strange idea that they are supposed to be scheduled when it is suitable for the boards and those who might want to appear before the boards, and not just when it is convenient for the Minister of Transportation and Communications or the Minister of Industry and Tourism (Mr. Grossman), or people who want to go forward with some project they know to be correct. They do not think all these hearings are just so much piffle, designed to elect the Tories back in 1971 and 1975.

I do not know who had the concept of putting all these hearings together in one major circus. Frankly, I think it is a good idea, and I agree with my colleague, who spoke first for us, that we will support the bill with some enthusiasm. I cannot help but feel a certain amount of—it is not bitterness, because I really do not give a

darn about it at this stage—softened bitterness, when I think of the ringing declarations of principle that came from the other side during these years—not too many years—when the government led the province into this whole new concept of public participation and the protection of minorities, and a new understanding of the importance of the environment in the face of the onslaught of big government and big business.

It is the passing of an era. Even the environmental assessment procedure—I will not dwell on that; I know members will glad of that—has been just a farce. The government does not bother having an assessment for Darlington, and we have a bill before us, which we may get to some time in July, setting aside any hearing, for example, for the South Cayuga dump, or, as the former minister chose to call it, repository.

Those matters are set aside, whereas heaven help the township of South Dumfries if it wants to pave a road, or the county of Brant if it wants to widen a road and pave it, if they do not have a proper environmental assessment.

Another example is a whole area of southwestern Ontario that is aching to be served by a new controlled-access highway, Highway 403. The whole thing is going to be stymied in spite of the will of the people, who elected certain candidates in that area because of their support for the road, like me, or in spite of their support for the road, like the member for Brantford (Mr. Gillies). All that is in danger certainly of being delayed, if not being set aside, because of the great commitment of the ministry to having an environmental assessment for some piffling road somewhere. But if they really want to get something through, and it has an emergent and particular importance to the minister concerned, then there is no doubt about it at all.

8:40 p.m.

In many ways it is an end to an era. It is like the way the Premier and the ministry were reformed over the years. Remember the committee on government productivity with all the new ministers? In the next three or four years we will probably see the gradual abolition, dissolution and disappearance of many of those top-heavy structures that came in, in the name of great reform.

I believe this bill in many respects is the end of that great thrust of the 1970s which was supposed to bring the citizen to participate in government. There were even comments at one time that perhaps citizens ought to be funded from the provincial Treasury to assist them in

getting together a case in defence against big government that might otherwise move in with its PCB tanks, hydro generators and heavy water distilleries, with all of the power, majesty and finance of government, and thrust aside the requirements of the small community and the individual citizen.

The chairman of the Royal Commission on Electric Power Planning—what was that worthy gentleman's name? I think the member for Prince Edward-Lennox (Mr. J. A. Taylor) appointed him when he was the minister.

Mr. J. A. Taylor: I did not appoint him. You are talking about Porter.

Mr. Nixon: Dr. Porter. It was probably the epitomé of citizen participation. He listened to platoons of well-informed citizens each with legal support indicating what the findings should be. But that is now being pretty well set aside. If this bill means anything, it means the end of that commitment by the government.

Certainly there are still going to be hearings. They even took the cream of the Ontario Municipal Board and plucked it out of the OMB to form a nucleus for the environmental hearing board. Those hearing officers who had OMB experience had a concept of independence and importance. Who would leave the OMB? It is incredible. It is like resigning from the Senate. But some of them did, because they felt the government was totally and thoroughly committed. Now they find they are all going to be thrown into a common hearing anyway, almost willy-nilly.

I see there are many sections for co-ordination and so on, but all those people—although I would certainly support their claims to independence—realize that in the long run they exist at pleasure and, if their appointments are not at pleasure, at least their raises are at pleasure.

It is the same with the rest of us—

Mr. Roy: Well, not quite.

Mr. Nixon: No. Some people are going to reject them, I understand, but that is another matter.

Mr. Roy: They don't exist for the pleasure of anybody on that side; sorry about that.

Mr. Nixon: No. It is very good. I feel at last the government is climbing down from the Olympian stance it has taken over these years. Frankly, I welcome this dose of reality, because there is no way any progress in the community could be realistically contemplated with the panoply of independent hearings, all of them

lengthy and many of them waiting in precedence one for the other. In many respects that has been substantially disruptive.

I still believe the original concepts could well have been maintained, if not totally independently, particularly for environmental hearings. I do not want to give the minister the impression that I like the concept of downgrading in any way the independence of environmental hearings. After all, we have always left the final decision to the political authority, and I have no objection to that.

If the minister can continue in any of these findings to accept, reject or have them refurbished along any lines that he sees fit, then at the same time the minister must carry whatever opprobrium or ash cans go along with a decision that might be seen by a significant proportion of the public to be incorrect, crass or badly motivated.

I have often felt that the government of the day, having embarked bravely on this process, has never ever given it a chance to work. Even in the South Cayuga instance there was always not only the possibility but also the certainty of setting limits to an environmental hearing by an amendment or a special act of this House. That would have been supported on all sides if there could have been some sort of an environmental hearing and not a decision that the liquid waste dump or repository was going to go in South Cayuga and that was fixed and the only hearing had to do with how it could be made safe. We are going to be making some arguments in that connection some time in the future.

I cannot say I welcome the bill but I do point out to you, Mr. Speaker, in one aspect it is a signpost on the road down from Olympus. It is an acceptance of reality, which I guess all of us must do every now and then.

Mr. Renwick: Mr. Speaker, I want to speak briefly on Bill 89, because there are two elements of the bill which cause me a degree of concern. I may say that in substance our caucus is in agreement with the need to provide some kind of streamlining to these complex hearings with respect to many of the involved issues that come before such hearings, by which so many people may be affected and on which so many people may want to express their views.

The two areas that are of concern to me are not ones that can be dealt with simply by asking the minister on second reading or in committee of the whole House to make some verbal or semantic changes in the bill. If that were so, we would not be proposing—I hope with agree-

ment amongst the House leaders—that the bill might go out for a limited period of time to the standing committee on administration of justice for return to the House for final proceedings here before the House recesses for the summer.

One of the areas of specific concern to me is the whole question of standing: Who is entitled to be heard? The minister will find in the bill, as is natural when they put together so many other bills and the provisions of other bills relating to standing, that the bill is quite confused, in my view, about who would be entitled to standing. Unless, of course, one can be heard, then one vitiates and truncates the whole of the process and perhaps streamlines it to an extent that is totally unacceptable.

Specifically, the provision is in section 8 of the bill. The bill provides that “a person entitled to be heard at a hearing or to take part in proceedings before a tribunal that has a power, right or duty to hold a hearing in respect of which a joint board has been established has the same entitlement in respect of the proceedings before the joint board.” One immediately has to look back at the previous statute to find out who it is who might be entitled to be heard before this joint board.

Of course, in the schedule one may find a joint board appointed to deal with at least two of the traditional statutory hearings provided in the schedule to the bill, perhaps in certain instances many more—perhaps three, four or five. A perusal of the various bills related to the principles about who has standing leave much to be desired. There is usually a fundamental argument before any board as to just who has the right to be heard.

I recognize that a number of these clauses are taken out of the Environmental Assessment Act, which was passed in 1975 and which left much to be desired when we passed it. But then there is the specific provision, of course, which then goes on to say that even if you are entitled to be heard, the joint board can determine who will represent you, particularly when there are a number of classes of persons before the hearing.

Again, in section 8(3) you have this provision: “For the purpose of proceedings before a joint board, the joint board may appoint from among a class of parties to the proceedings having, in the opinion of the joint board, a common interest, a person to represent that class in the proceedings, but any other member of the class for which such appointment was made may,

with the consent of the joint board, take part in the proceedings notwithstanding the appointment.”

8:50 p.m.

I say again that even if you are one of the persons who can establish standing, who can establish that you have such an interest in the proceeding that you must be heard or, by the principles of natural justice, the proceeding would be vitiated, nevertheless we still give the joint board, and the bill purports to give the joint board the ability to designate the person who will represent classes of persons with substantially the same interest. And only with the consent of the board can anybody else be heard.

I think there is a certain arbitrary tone in that kind of procedure that is unacceptable when we are trying to facilitate the hearings of the board and streamline their proceedings while at the same time preserving the rights of all persons who have an interest in being properly heard and properly represented.

I cannot understand why it is not possible to determine for these purposes who has an interest. The question has been before any number of similar boards in the past, and it should be possible when we are attempting to provide and facilitate a procedure for the resolution of complex and difficult problems to state more clearly who has an interest.

I, for one, think that in questions such as this, where so many people are affected and concerned both broadly and directly, we need to have an opportunity for some input by people outside this chamber with experience in and knowledge of the hazards involved in determining the question of standing so that we have some understanding of the problems. Many members of the assembly have had experience; I have not had all that much, but we have had a number of these bills before us on other occasions, and that question is always a perplexing and vexed one.

I think we would be ill advised to proceed on environmental matters—using the expression in the broadest sense of the term—related to planning, zoning and other kinds of applications, unless we can establish a specific kind of provision that will indicate clearly to the joint board who has standing before the board and unless we make certain that the participants before the board, if they wish to combine and be represented by one or more persons, have that opportunity without providing such an intrusion by the board in the naming of persons to argue their case or to put the case before that tribunal.

The second area, which is a little bit earlier on in the bill, seems to me—and I stand to be corrected by the minister when he speaks on the bill—to indicate that there are certain circumstances in which a hearing need not be held.

In section 5 of the bill, if I may paraphrase or at least skip some of the words, there is provision for a joint board to be able to hold a public hearing and make decisions. Then you have the strange provision later on, in section 5(5) of the bill, where a joint board defers a matter. There is a provision for deferral earlier in that same section. It goes on to say, in section 5(4)(b), that “the joint board may direct that the matter or part deferred be decided without a hearing.” I find that a very odd juxtaposition of powers for any board to have.

Further on in that section, if I understand it correctly, we have another provision, the broad omnibus power of decision-making, that simply says, “A joint board may make any decision mentioned in subsection 2 without holding a hearing if the joint board is satisfied that in the circumstances a hearing would not be required or would be dispensed with under the act specified in the schedule or prescribed by the regulations that, but for this act, would apply in respect of the undertaking.”

When we get that number of legal words in a section, that means the board could decide almost anything within the ambit of its authority without holding a hearing and we in this assembly would have authorized it. I find that an extremely ill-advised clause to have in the bill without some very clear and more precise definition of the need to have a public hearing.

Let me step back a little bit. The joint board is for the purpose of deciding matters that are extremely complex. It seems to me that, if the process of a joint board is going to take place, there should be an absolute obligation on that joint board to have a public hearing. There should not be a provision that says we go through this more elaborate process of having a joint board with that kind of expertise to deal with some matter that does not require a hearing.

I am saying to the minister that we have to have some adequate explanation of the provisions of section 5. I do not believe I have misread them. I believe I understand what it says. In substance, it says that any decision the board may want to make can be made without having a hearing. Yet the very purpose of establishing the joint bill is to have a public hearing.

Then there is the ancillary statement that, in a

roundabout way, they can simply defer the matter. If they defer it, they can then decide not to have a hearing. Those are matters that are of very major concern to us.

I want to reiterate that our position on the bill is that we want to see a better procedure for dealing with very complex issues in which many interests have very different aims in view when they appear before such a joint tribunal. However, we must first establish very clearly in the bill who has standing in any hearing. In a bill such as this we must be absolutely certain that, having gone to all this trouble, there will be a public hearing.

To us, those are two major considerations that in other circumstances, except for our desire to facilitate the major purpose of the bill, would lead us to vote against the bill.

I am saying to the minister that it is important from our point of view that he clarify our concerns on these two counts. Second, it is important that with agreement, I trust, the bill will go out to the standing committee on administration of justice for a limited period of time so the members of that committee can fully understand and appreciate the significance of those two points.

If I have misread the bill in some way, and I do not believe I have, then that would be quite a different matter. If the minister can convince me that I have misread it, I will be quite happy to change my views.

Mr. G. I. Miller: Mr. Speaker, I feel this is a progressive bill and one, as has been indicated, that we can support, but I want to make a few comments and give a little background on the reason it came to a head.

The minority government working over the past five years and, I suppose, the South Cayuga issue were mainly responsible for the revision of the legislation. It has been obvious that the government wanted to deal with waste, and it is important that we move forward in that respect.

9 p.m.

The Environmental Assessment Act was there to protect the people, as was the Environmental Protection Act. The Expropriations Act is there, along with the Ontario Water Resources Act. Now that we are putting them together and shortening the time period, as has been pointed out by the previous speakers, it is important that the public has the opportunity of participating and that a time limit should be established so we can move forward in the best interests of everyone in Ontario.

I have been listening closely to what the minister has to say about how we will be dealing with all these boards under one board. It will still be important that we do move and that private individuals can afford to participate in the protection they deserve.

Those are a few key issues. I am interested to hear the response of the minister. I hope the bill will be going to committee where further input can be provided.

Mr. Swart: Mr. Speaker, I rise to speak on this bill, because, as many people here will know, I and many other members of this Legislature have been involved in a large number of hearings, in my case both as an elected member of a municipality and as head of a municipality. Also I have been involved in many citizens' groups in a variety of hearings that have taken place. I am aware of some of the problems with regard to the present legislation.

Like my colleagues, I want to say that the principle in this bill is a solemn principle, the principle of consolidating the hearings into one hearing. The system of having two or three hearings on the same issue is extremely costly and time-consuming, sometimes going on for years. This frustrates both sides in the hearing and precludes arriving at a reasonable decision in a reasonable period of time.

I was looking at the schedule in the back and can conceive that there could be an issue to be decided that would encompass at least five of those specific acts. Under the present legislation, one would probably have to have five separate hearings.

The member for Niagara Falls (Mr. Kerrio)—I was not in here all the time he was speaking—may have mentioned that in Niagara Falls two hearings were held, one under the Environmental Assessment Act and one under the Planning Act. The first one, which was lengthy and costly, was approved. The second one under the Planning Act was turned down. The costs of those two hearings were fairly substantial, both to the municipalities involved and to the citizens' group that was opposing that hearing.

Even more recently, a hearing has taken place—I believe it has now concluded—in the Pelham area of the Niagara Peninsula relative to rezoning of an area to extend a pits and quarries operation rather extensively. It was a zoning matter in the Niagara Escarpment. It comes under the Planning Act and the Ontario Munic-

ipal Board Act and, therefore, there have been extensive hearings held and hearings yet to be held.

Mr. Kerrio: The Niagara Escarpment Planning and Development Act as well.

Mr. Swart: Yes, I mentioned that, if the member was listening. It comes under the Niagara Escarpment Planning and Development Act as well. There will be a tremendous delay. The principle here is a sound one. I think everyone who has spoken has agreed to it. I suppose the question can rightly be asked, why has this been so long in coming before this House?

From my contacts with municipalities and municipal organizations, I am sure there is general approval by them with regard to this act. They support the consolidation.

I have also had some contact with citizens' groups. There is some mixed reception among them. In general, they are conscious of the cost of separate hearings and therefore, on the one hand, they are anxious to proceed under one hearing. On the other hand, some municipal groups, after having lost in one hearing, have been successful in a second hearing, as was the case in Niagara Falls. They are reluctant not to get a second kick at the cat if one can term it that way. There will have to be some very firm guidelines set up so the overlapping of the issues in these joint board hearings will not be fudged to the extent where one can supersede another.

I am glad this act provides generally for the provisions of the Municipal Act and the Planning Act to be applied to the joint board hearings. Under the Environmental Assessment Act and the Environmental Protection Act, it is generally the minister who makes the final decision. I notice this bill, as I say, follows the procedures of the Planning Act, and any appeal must be through the Lieutenant Governor in Council. I am supportive of that being placed in this act.

I think it is fair to say, and I have said this here before, that generally there is no board over a long period of time that has been considered more impartial and more independent than the Ontario Municipal Board. I am glad that it is tied into this and that its policies generally will prevail in the hearings before the joint board.

However, there are some shortcomings and some items in this bill that cause us concern, as my colleagues the member for Hamilton Mountain (Mr. Charlton) and the member for Riverdale (Mr. Renwick) have stated. I am not going to repeat what they said to any great degree except

to say there is a real danger, which we dealt with under the Pits and Quarries Control Act, when one gives the power to the board to decide who it is going to hear or to name one person to represent a certain class. I suggest there is real danger when it has the power to decide who gets standing at the board.

That should be amended as it was amended in the new pits and quarries legislation which, incidentally, never got passed before the last House was dissolved. Nevertheless, the then Minister of Natural Resources, Mr. Auld, had agreed to remove that clause from the bill.

There is another danger I have already mentioned which I think bothers all of us who are concerned about citizens' rights and full citizen input. I think it is not unfair to say that this party has been the champion over the years of those citizens' rights. It is precisely because we have been such that I am supporting this bill in principle.

However, I want to point out there is some danger in the grouping under the joint board of what would normally be two or three hearings. Under the previous situation, one held a hearing under the Planning Act—perhaps that came first—a hearing under the Environmental Act, a hearing under the Expropriations Act or whatever the case may be. If any one of those was turned down, it killed the whole proceeding; that stopped the proposal put forward by a municipality or sometimes by the developer or perhaps by other people.

9:10 p.m.

I am a bit concerned that when this is all grouped together under one board they will look at these three different issues all contained in one. They will say: "Two of these look very good; they outweigh the other one. Therefore, we will approve them." I think that is a real danger which has to be addressed, and it appears to me that it has not been addressed in this bill.

Another shortcoming in this bill—and I believe it was mentioned by the member for Brant-Oxford-Norfolk (Mr. Nixon), although he did not pursue it to any great extent—is the matter of funding. If there is going to be any fairness and equity and equality in these hearings, whether it is the joint board hearings or individual board hearings, those groups that are taking one side of the case, often versus the municipalities—citizens' groups versus the municipalities—must have some equality of funding. That is a sound principle. You cannot get away from it.

If there was anything that proved this need, I think it was the hearing in the Niagara Peninsula with regard to the preservation of the fruit lands there. I do not know how many people in this House are aware that those hearings before the Ontario Municipal Board went on for 16 months. It is probably the record in Ontario.

The municipalities and the developers, who had some 70 lawyers at the hearings, admitted they spent a couple of million dollars in promoting the widespread urban boundaries and the development of the fruit lands and the prime agricultural land in that area. The Preservation of Agricultural Land Society, one of those in opposition, and myself and Dr. Krueger, spent something like \$150,000 and had some minor assistance from the government. But they had to raise most of that money themselves.

The point I want to make—

The Deputy Speaker: That is just what I was going to ask you.

Mr. Swart: The point I want to make with regard to the need for funding, and my reason for using that as an example, is that the Ontario Municipal Board in its ruling granted to the Preservation of Agricultural Land Society the preservation of about two thirds of the land that was in dispute before the OMB.

The Ontario Municipal Board—I wrote it down here; it is almost the exact wording—commended the Preservation of Agricultural Land Society, commended Dr. Krueger and commended me for filling a void that no other person or group was prepared to fill. That was the decision of the Ontario Municipal Board. And yet it was only by chance that this group was able to do the job it did at that hearing, because there was a lawyer who was so committed to land preservation that he charged the Preservation of Agricultural Land Society really only a pittance compared to what most lawyers charge.

The Deputy Speaker: Mr. Swart, I have let you go on at length on this issue. I am having difficulty in trying to relate what you are saying to the essence of the bill.

Mr. Swart: I would say to you with respect, Mr. Speaker, that you should not have any difficulty, because missing from this bill is the funding of groups before the joint boards. It is not mentioned in this bill, and surely on second reading you talk about not only what is in the bill but also what is missing. Therefore, I am giving examples that I think are exactly applicable to the principle in this bill.

Because of these shortcomings, and they are substantial, I am glad that the minister has agreed that it will go to a committee, perhaps the justice committee, which will not hold public hearings, but will at least invite various groups before that committee to give their views. I suggest that one of those groups has to be the Canadian Environmental Law Association. We also want to hear from the Association of Municipalities of Ontario and other groups that have spent a great deal of time in recent years and have been deeply involved in this whole matter of the various hearings that are to be consolidated.

With the assurance that it is going to go to the committee, and with the assurance that we will be hearing from these groups, either directly—I hope it is directly, and perhaps the minister will answer that—or through briefs, which they may submit in writing, we, in this party, are going to support this. We think it is a move in the right direction but, as always seems to be the case with that government over there, they never move the whole way. The bills always have major shortcomings, and we, on this side of the House, are going to try to correct those substantial shortcomings in this bill.

Hon. Mr. Norton: Mr. Speaker, as has been alluded to in the earlier part of this evening's discussion, I believe there is an understanding among the House leaders of all parties, and certainly with my concurrence, if such an understanding has been arrived at, that this bill will go to a standing committee; I believe it will be the standing committee on administration of justice, but I am not sure which committee. I certainly support that, provided there is also a commitment on the part of members of the House, as I have mentioned earlier, to limit the period of time before the committee to two days.

In view of the remarks of the last speaker, I have to say that I am not sure it is up to me to determine the procedure before the committee. I think that is the committee's prerogative. I have no preference as to whether the groups give oral representations before the committee or do it by way of written submissions. That is a matter that ought to be determined by the members of the committee, as they consider their proceedings. However, I am prepared at the request of some of the members opposite to undertake to notify those organizations, which the member indicated to me he would like to have notified, of the likelihood of these matters being dealt with before the committee, perhaps in the early part of next week.

In view of the fact that we will have the opportunity in committee to address some of the specific concerns which are now on the record, I will be somewhat less detailed in my response here tonight. I think the honourable members will agree that part of the debate tonight was essentially clause-by-clause consideration, which can be dealt with more appropriately and carefully in committee.

I am not accustomed to these powerful images of the member from Brant-Oxford-Norfolk (Mr. Nixon). On this side of the House, we are plain, simple folk who identify with the grass roots, not with Olympus. Being so unfamiliar with those very powerful and expansive images, I was a little taken aback by his references to climbing down from our Olympian stance.

Actually, I think this is a conscientious and sincere effort on the part of someone who is clearly and deeply involved with the grass roots of this province to try to improve the process in areas where we see that it can be improved so that those individuals who wish to participate may participate perhaps even more effectively than they have been able to in the past.

We have tried to improve it so they may participate at less cost in terms of energy and resources by avoiding unnecessary duplications of hearings. If that is somehow coming down from an Olympian stance, then I defer to the honourable member, but I think it is a genuine and honest reflection of a government that is striving to meet the needs of the simple folk in this province, like those of us on this side of the House.

9:20 p.m.

It certainly is not even remotely accurate, in my opinion, to try to portray the bill as in any way backing away from a commitment to public participation. It is, in fact, an effort to improve the opportunity for public participation in the process. I should not get into the next bill, I know, Mr. Speaker, but I say to the honourable member that the next bill even improves that opportunity for people in specific circumstances.

Even recognizing the very difficult situation I know the member for Haldimand-Norfolk (Mr. G. I. Miller) faces in his constituency—I understand that; I know the anxiety that exists among his constituents—the next bill will provide them with a greater opportunity for involvement in the process than probably any other piece of legislation would.

I guess the comment I want to address is the one by the member for Hamilton Mountain (Mr.

Charlton). I was a little confused when he spoke. I was not sure, when he began to describe what might remotely be characterized as the urban guerrilla approach to the hearing process, whether he was expressing his own philosophy or whether he was being critical of that approach. Surely the hearing process does not exist for the principal purpose of allowing for a deliberate frustration of that very process.

I think the honourable member's attitude might have crept forward from time to time when he repeatedly referred to opposition, as opposed to participation, because there are people who participate in the process who may not be constantly opposed. If his mental set is such that he sees all public participation as being in some way opposition, then I can understand why he would describe the repeated opportunities for kicks at the can or kicks at the cat—I have forgotten whom he was kicking.

He made the suggestion that the length of the process really had some advantages because it can allow things to be dragged out to the point where the proposal is killed. Surely the purpose of a hearing process is to allow for full and fair involvement and participation and then to come to the best decision possible.

Mr. Charlton: That was the whole point.

Mr. McClellan: That is exactly what he said.

Hon. Mr. Norton: If that is what he said, then we do concur. I thought he was saying he had some regrets or some concerns about removing the multiplicity of hearings.

Mr. Martel: You should listen. You might learn something.

Hon. Mr. Norton: I thought I was. Perhaps he might have expressed himself a little more carefully on that subject.

Some specific concerns were raised. For example, one of the concerns of the member for Riverdale (Mr. Renwick) was that section 5 might afford an opportunity for the joint hearing board to decide things without hearings. If the section requires clarification, I am willing to hear suggestions, because it is important that the legislation be clearly understandable and that there be no doubts in the minds of people about the intent.

Section 5(4), which I think he made reference to, is really intended to deal in some instances with specific technical matters that may not be before the board after a public hearing, for example because the complete plan may not be prepared. It is not decided in secret or behind closed doors or anything like that.

Presumably, after hearing argument on the subject, the board may say that a particular item can be deferred for decision and that, because it is a minor technical matter and not a matter of principle in the hearing, it need not be subject to a further hearing at the time the decision is taken. We can perhaps discuss those sorts of things more readily during clause-by-clause consideration in committee.

Similarly, concern was expressed about whether section 7 would allow the board arbitrarily somehow to disallow people from representation before the board. That is not the intention. I think section 7(1) clearly indicates the intention that all the acts must be complied with in terms of those provisions. Section 8(1) I think indicates as well that parties who would be parties under any of the individual acts would be parties before the joint hearing board.

The reference to the joint board specifying additional persons shall be parties is really intended to be an opportunity to add people who might be deemed to be appropriately entitled to be before the board and for some reason might not be eligible under the particular combination of acts that give rise to the joint hearing. It is not intended to be exclusive in the sense of excluding people from status. The intent would be the reverse.

I am not ignoring the matters the honourable members have put on the record, but I do think the forum of the committee is better for this purpose.

Mr. Martel: Quit while you are ahead.

Hon. Mr. Norton: Is that right? I shall shortly. I guess it was the member for Welland-Thorold (Mr. Swart) who made reference to the fact that, if there were three issues under consideration, two might be deemed to be good and the other one not good; therefore, they might override the third. It sounded to me as if he were describing what one might call a holistic approach to decision-making.

I am not sure that is a bad idea in some instances and that, when a decision is being made on a matter, all the evidence before the hearing be considered. Ultimately, the necessity of decision-making surely requires that one does those sorts of things. I am not sure what he was describing is all bad, although I was concerned he might have been portraying it from that perspective.

Generally, I am pleased the honourable members opposite support the principle of this

bill, and I look forward to a brief, thorough and speedy consideration before committee and ultimately a return to the House next week.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, with the consent of the House, I wish to propose a motion at this time.

Hon. Mr. Wells moved that, notwithstanding any standing order of the House, Bill 89, An Act for the Consolidation of Hearings under certain Acts of the Legislature, be referred to the standing committee on administration of justice and be reported back to the House by the committee by next Tuesday, June 23, 1981.

Mr. Nixon: Mr. Speaker, the government House leader brought the motion to my attention before presenting it to you. I have always felt the committees ought to order their own business. I know the government House leader is anxious, as are we all, not to prolong the business unduly. My own feeling, however, is that the committee might very well direct its own affairs. The membership of the committee is composed in the same proportion as is the House itself; so the government House leader is not without a certain influence if he chooses to use it. I personally am not keen to give this sort of direction to the committee, but of course the House has this within its power. I do not favour the motion. I do not feel it is necessary.

9:30 p.m.

On the other hand, we in this party want one of the other environmental bills to go to committee as well. Under those circumstances it will no doubt go to another committee, but we hope there will be a reasonable opportunity for that committee, which may in the wisdom of the House have the carriage of that bill, not to be directly under the instruction of the House as to the hours it may sit. We hope it will use its own discretion as to witnesses it might choose to call. Once again, the committees are controlled by their membership, and it seems to me we might very well leave those matters to their discretion.

Mr. Martel: Mr. Speaker, I should say a few words since the request to have the bill go to committee came from this party with a request from my colleagues who will serve on that committee for a very short exchange based on the problem they saw in the bill.

I am not one who would wish to control the committee, but those members in this party who serve on that committee felt that any time beyond that was useless and that the issue they wanted to deal with could be dealt with quickly

and expeditiously if two or three groups representing the various groups out in the province were requested—

Mr. Kerrio: How could you decide how much time we wanted?

Mr. Martel: You didn't want any time. Just crawl back into your hole.

Mr. Kerrio: You decided.

The Deputy Speaker: Speaking to the motion. Please, Mr. Kerrio, Mr. Martel has the floor.

Mr. Kerrio: You don't have to use that kind of language here. I understand what you are trying to say.

The Deputy Speaker: Mr. Martel, please try to ignore the interjections.

Mr. Kerrio: Pretty ignorant. I don't need that from you.

Mr. Martel: Let me pick up the pieces.

The Deputy Speaker: Yes. Carry on.

Mr. Kerrio: Well, he is presuming, and I don't like that—or any one of those Socialists.

Mr. Martel: What did he say?

The Deputy Speaker: Mr. Martel, speaking to the motion, please.

Mr. Martel: What am I presuming? That's right. It is a presumption on my part.

Mr. Kerrio: You'd better believe it.

Mr. Martel: Mr. Speaker, I just want to make the point that I am not one who would wish to limit the debate. That was the time my colleagues felt was necessary to deal with the item they wanted to discuss at length in a more direct exchange than this House allows with respect to the bill, and therefore I see no problem with the motion that is before us.

Mr. Breithaupt: Speaking to the point that was raised by my House leader, Mr. Speaker, it was interesting to see that the chairman of the standing committee on administration of justice, the member of Oxford (Mr. Treleaven), has just come into the House. I do not know whether he was aware that he was getting this bill, but perhaps we could find out, since the government House leader appears to be organizing, to some extent, the work of the committee.

Is it the intention that this bill is to proceed on Wednesday morning after we have finished the hour and a half left in the Justice policy estimates or will this be expected, with presumed notice to the people who are interested, to commence on Thursday afternoon? Is there any real knowledge of this so that we can be at least somewhat prepared?

Hon. Mr. Wells: Mr. Speaker, as my friend the House leader for the official opposition has said, the committees order their own business. I assume the committee and its chairman will order their business having been given this bill by the House with the only limitation on it being that it be reported back to the House by next Tuesday.

The Deputy Speaker: All those in favour of the motion will please say "aye."

All those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

EMPLOYMENT STANDARDS AMENDMENT ACT

Hon. Mr. Elgie moved second reading of Bill 95, An Act to amend the Employment Standards Act.

Hon. Mr. Elgie: Mr. Speaker, this bill includes a number of measures designed to supplement the existing provisions of the Employment Standards Act relating to layoffs and plant closures. Its main features include the introduction of a severance pay requirement covering workers terminated as a result of full or partial plant closures, subject to certain conditions that I will discuss in some detail shortly.

In addition, the bill contains provisions similar to those in Bill 191, which I introduced in the last session of the Legislature. The bill authorizes the Minister of Labour to require an employer who has terminated or intends to terminate the employment of employees to participate in such actions or measures as are deemed appropriate to facilitate the re-employment of those employees.

In the past, the vast majority of employers faced with large-scale terminations have in practice proved willing to participate in manpower adjustment committees established on a voluntary basis and cosponsored by the Ministry of Labour and the Canada Department of Employment and Immigration. The committees have had considerable success, as all members know, in assisting displaced persons to find alternative employment.

The new provision, replacing the existing section 40(5), will enable action to be taken in those comparatively rare situations of employer refusal to participate in adjustment committees. In addition, it will enable the establishment of committees in any termination situation where they are likely to prove helpful, and not simply in mass terminations.

It will authorize the minister to require the employer to contribute to the cost or expense of such committees, and it provides the necessary flexibility to consider alternative or additional adjustment measures, such as counselling or training, where these appear to constitute a more effective mechanism for achieving re-employment. The latter feature was not included in the original Bill 191. However, experience over the past few months has suggested that the adjustment committee approach may not always be the best one to pursue in each and every case.

Bill 95 also reintroduces the requirement that employer contributions to benefit plans be maintained during the notice period required under the Employment Standards Act, where notice is actually provided or where pay in lieu of notice is given instead. Where pay in lieu is given, the workers will be deemed to have worked during the period for which notice should have been provided, thus maintaining entitlement to pension and other benefits that otherwise could have been impaired.

For the purpose of administration of the act, employer contributions to benefit plans will be included in the definition of wages, empowering the employment standards officers to collect such benefits on behalf of employees where necessary.

The benefits covered are those enumerated in part X of the act; they include superannuation, retirement, unemployment, income replacement, death, disability, sickness, accident and medical and dental benefits. There is no requirement in the act at present for continuance of contributions to these benefit plans. This led to the unfortunate situation that emerged in several plant closures during the past year, and to which I referred in my statement of last October 14, where employees found themselves without legal entitlement to pensions or other benefits solely as a result of the employer's failure to provide the required notice.

Since the intent of the Employment Standards Act is to ensure the provision of notice, it is clearly inequitable that employees themselves should suffer the loss of certain benefits to which they otherwise would be entitled simply because the employer decides to incur the pay-in-lieu penalty rather than provide the full notice required. The new provision will prevent a recurrence of this unfair situation and will prove of real benefit in alleviating the hardship of employees terminated without notice.

9:40 p.m.

I believe the provisions I have outlined are important and necessary in their own right and will contribute to an improvement in the situation of certain workers involved in layoffs and plant closures.

I recognize that the remaining parts of the bill involving severance pay are likely to generate the most attention. Accordingly, I intend to devote the remainder of my time to that issue. I do not need to remind honourable members of the numerous past discussions regarding severance pay in this House, including my statements of October 14 and December 11 last year and more recently the June 4 debate on the draft final report of the select committee on plant shutdowns and employee adjustment.

As I have said before, the principle of a legislated severance pay scheme has not hitherto been widely recognized in North America. In fact, only two jurisdictions—namely, the federal jurisdiction in Canada and the great state of Maine in the United States—have enacted severance pay legislation. Nevertheless, this government believes that the introduction of a severance pay requirement in this province along the lines of that proposed in the bill represents a responsible and a necessary approach to addressing a number of the concerns that have arisen in connection with plant closures in the recent past.

The severance pay requirement I am about to outline possesses a number of features that I believe improve upon the prevailing provisions in the two jurisdictions I have mentioned. Bill 95 provides for severance payments in the amount of one week's pay per year of service to employees who are terminated in complete or partial plant closures involving 50 or more employees within a six-month period. There is a minimum service requirement of five years for severance pay eligibility and a maximum payment entitlement of 26 weeks' pay.

The application of severance pay to full or partial plant closures focuses attention on those situations of permanent job loss that have generated the most public attention and most public concern, I might add.

The imposition of a severance pay requirement in the case of indefinite layoffs occasioned by reduced business operations, such as those associated with a cyclical downturn in sales or a difficult competitive situation, could be prejudicial to the eventual recovery of these establishments. In many such cases, there is at least an intention that regular operations will be resumed once business conditions improve.

This is not the case where full or partial plant closures are involved, since in these situations termination of employment is known to be both definite and permanent at the time it occurs.

Where there is difficulty in distinguishing between a partial closure and a reduction in operations, a determination will be made by a referee appointed under section 51 of the act.

The confinement of the severance pay requirement to closures involving 50 or more workers within a six-month period has already attracted some comment, including the suggestion that this may constitute a possible loophole enabling employers to avoid severance payments entirely by staggering terminations in groups of less than 50 employees at a time.

Adoption of the six-month measurement period rather than the four-week period that applies to regular mass notice provisions was designed to severely limit the potential for that sort of abuse. As I indicated in the House on June 5, if the six-month period proves insufficient for that purpose and people are attempting to bypass the legislation and its purpose, we will review it.

I draw the attention of members to the fact that the cutoff at 50 employees is consistent with the present mass notice provision in the Employment Standards Act. It was, I might add, also recommended by the select committee on plant shutdowns and employee adjustment, in part as a result of the recognition that smaller employers with a lesser ability to pay could be adversely affected by a universal severance pay requirement.

A further feature of the bill's severance pay provision is the minimum service requirement of five years to determine eligibility for payments. In my view, one of the principal reasons for a severance pay scheme of the type proposed relates to compensation in recognition of the past contribution and commitment that an employee has made to the operation of the enterprise. The other main rationale relates to the loss of job-related benefits that occur upon termination.

Virtually all severance pay schemes of which I am aware are related in some manner to the seniority of the workers involved. While there may be room for argument as to the length of the minimum service that may be appropriate, it is nevertheless common to have some such a minimum in severance pay plans, whether legislated or negotiated.

I happen to believe that a five-year requirement is not unreasonable in these circum-

stances and that it ensures the compensation provided will be oriented towards those who have a clearly established connection with the employer and who are most in need of the compensation a severance pay scheme provides.

The upper limit of 26 weeks on severance pay entitlement is, in my view, sufficiently high to accord adequate recognition to long-service employees. That maximum would result, for example, in a severance payment of \$7,800 for a 26-year employee earning \$300 per week.

I wish to make it clear that, in the design of the severance pay provisions in this bill, the principal objective was to provide a minimum equitable level of compensation to those workers likely to be most severely affected by the impact of plant closures. In doing so, a balance has to be struck between the desire to provide adequate compensation to the workers involved and the desire to avoid imposing an unrealistic cost burden that could undermine the competitive position of employers.

The fact that only two other North American jurisdictions have legislated any form of severance pay is clearly not an irrelevant consideration. However, in certain circumstances it may be felt that severance payments unrelated to closures, or in excess of those provided in this bill, are called for. In fact, a number of companies today, in both the organized and unorganized sectors, already have severance pay plans that accord equal or better benefits. This bill does not preclude the negotiation of those superior benefits in severance pay schemes in future, whether by extending benefits to situations not covered or by increasing the level of benefits provided.

The severance pay provisions in the bill will apply to regular, full- and part-time employees in closures during or following a strike or lockout, unless the employer can show that the closure was brought about as an economic consequence of the strike, and in closures caused by natural disasters and the like.

The provisions do not apply where an employee refuses an offer of reasonable alternative employment with that employer or where he or she refuses to exercise seniority rights to obtain such alternative employment. On-site construction workers are excluded from severance pay coverage because of the special nature of this industry, where employment is typically irregular and intermittent; that principle is recognized by all jurisdictions in Canada through exclusion from the termination notice provisions.

A number of additional provisions in the bill are based on common practice and collective agreement provisions governing receipt of severance pay in negotiated schemes. Included in this category are the requirements that recall rights be waived to qualify for severance pay, the ineligibility for severance pay of workers who retire on full pension benefits and the provision that supplementary unemployment benefits paid to an employee may be offset against the mandatory severance requirement. Pay in lieu of notice under the Employment Standards Act, which is a penalty for failure to provide notice, will not be permitted as an offset against severance pay.

The bill's severance pay provisions are retroactive to January 1, 1981, as envisaged in my statement of December 11, 1980. However, where a closure has occurred in the intervening period, the determination of the number of employees terminated will be based on a four-week period and not the six-month period in future cases, since this criterion, included in the mass notice provisions already, was the only one of which employers were aware at the time of closure.

For purposes of retroactivity, severance pay will not apply to bankruptcies under the Bankruptcy Act where assets have been distributed. However, once this act receives royal assent, employees in bankruptcy closures will be covered by the severance pay provisions.

I have outlined only the major provisions of what I consider to be a very important piece of legislation. Quite literally, it puts Ontario in the forefront in Canada in providing severance pay for victims of plant closures. It reflects many of the concerns expressed by the select committee on plant shutdowns and employee adjustment. While I do not expect unanimous agreement on all its features, I hope it may be enacted into law at the earliest time.

9:50 p.m.

Mr. Wrye: Mr. Speaker, it is a pleasure for me to rise to offer a few comments during second reading of this legislation. It might have been more of a pleasure if the minister in his opening statement had been able to announce that he was following the recommendations of the select committee as they pertain to severance pay and if he had not slipped in a few changes from what I am sure was the understanding of the intent of the statement that the same minister made last December 11.

I might add that in looking over that statement tonight, while I do not see any firm

commitment to bringing in severance pay at a level below five years, I certainly notice that last December 11 he was not talking about making employees wait five years before tossing them the pittance of severance pay. That apparently is another one of the realities of March 19.

I want to start out by saying that we will reluctantly support the principle of this bill, and we wish fervently in supporting it tonight that one of the realities of March 19 had been one that would have given us a chance to bring in a bill that would have followed the recommendations of the select committee.

I want to say to the minister that we believe this legislation is a start, but only that—a beginning—and that we intend to offer some amendments during the committee stage of debate which, if passed, we expect would improve the bill to a great extent.

Mr. McClellan: The member supports anything.

Mr. Wrye: I listen to our friends on the left. Physically and philosophically we are not like them; we will support the positive aspects of the bill. The New Democratic Party wants the whole loaf at one time; they want the loaf and then some. They do not care whether it is realistic—

Interjections.

Mr. Wrye: No, we do not want it both ways. We think it is important to make a start.

Mr. Speaker: Order.

Mr. Wrye: The member for Sudbury East (Mr. Martel) thinks it is important. He says we want it both ways.

Mr. Bradley: The NDP were busy propping up the government last session.

Mr. Speaker: Order.

Mr. Wrye: We want better severance pay, but at least we are going to get some on the books and then we will improve upon it. If the government had brought in the select committee report and the recommendations as they apply to severance pay, we would have had a great deal more of the loaf tonight. But at least we will get some of the loaf; at least the worker with 20 years' experience will get something.

Mr. Cooke: How many workers in Windsor will get severance pay?

Mr. Speaker: Order.

Mr. Wrye: I remember listening a couple of weeks ago to our friends on the left—

Mr. Speaker: Order, Mr. Wrye. Please address the principle of the bill. Never mind the interjections. Proceed.

Mr. Bradley: I remember when they just propped up the government.

Mr. Speaker: Order.

Mr. Wrye: Oh, I remember last fall. Anyway, before I deal with the severance portion of Bill 95, I want to say a few words about section 1 of those amendments to the Employment Standards Act. This section is—

Mr. Cooke: How many workers in Windsor are going to be helped by this bill?

Mr. Wrye: How many workers in Brantford would have been helped if we had voted with the NDP on Massey? How many workers in Windsor would have been helped if we had agreed with them on Chrysler? The NDP cannot have it both ways.

Mr. Cooke: We have Herb Gray to thank for that.

Mr. Wrye: At least the Chrysler plant is still open—and no thanks to the NDP, either.

Section 1 of the bill is essentially the same as its previous incarnation, Bill 191, which was introduced in the dying days of the last parliament but which, I understand, was never given second reading.

In essence, the amendments attempt to close some loopholes that emerged, particularly during the case studies of the select committee on plant shutdowns and employee adjustment. I say this because it represents yet another reason why the plant shutdown committee should be reconstituted forthwith. The work of that committee was not completed, and the work of that committee has resulted in these important changes in the Employment Standards Act, because it brought out to the members of all of the parties who sat on that committee that there were important loopholes and that important changes were needed.

If the committee were to be reconstituted, we could have even more changes rather than the kind of retrenchment into the dark ages of labour relations that my friends on the government side seem so desperately to desire.

I might point out that this bill does not address in any way the provision of improving layoff notices or any form of justification for layoffs, but at least—

Mr. Laughren: What a sad state Windsor is falling into.

Mr. Van Horne: We are getting Windsor out of the dark ages.

Interjections.

Mr. Speaker: Order. I ask the honourable members to respect the Speaker and to respect the person who has the floor. Mr. Wrye, proceed and address your remarks to the bill.

Mr. Wrye: Mr. Speaker, I have listened to the member for Windsor-Riverside (Mr. Cooke) tell us how we are always flip-flopping and we are doing this and doing that. I might remind the honourable member that one of the realities of March 19 was that his party's representation in Essex county was reduced by half. The next time we will get rid of the other member.

I remember in the case of Bendix Automotive, which was a plant in my riding, after throwing more than 500 workers out on to the street one June, the company hired a consultant firm. It spent all of one whole day advising the workers how to find new jobs. Imagine that: one whole day for more than 500 workers in a city with more than 20,000 already unemployed.

In the case of Essex International, and committee members can correct me if I am wrong, the bosses from the United States simply pronounced themselves too busy to come over and participate in any kind of employee adjustment program.

Section 1 of the bill gives the minister specific authority to compel employers to participate in and contribute to the funding of manpower adjustment committees. While we applaud that move, I suggest we on this side are more interested in the financial contribution of employers like Essex and Bendix and not so much in the kind of contribution they might make in the other way, because I do not think it would be wholehearted and enthusiastic.

I believe the small change the minister has made in Bill 95 from Bill 191, which allows him to take those actions and measures he deems appropriate in addition to the adjustment committee, seems to be something of an improvement.

I also want to say a couple of words about section 1(2), which makes it clear that employers must pay all benefits during the period of notice of shutdown whether the employees are working or not. Many companies' employees have chosen to forgo wage increases in lieu of generous benefit programs, which they believe, and I think rightly so, are equally as important to themselves and to their families.

Line workers at the Big Three, for example, have benefit packages almost equal to their hourly wage rates. It is important that such benefits continue for as long as possible. Most of us here in this Legislature have never been

victimized by a plant shutdown and by all the traumas that such a closing of the place of employment means.

I believe it is very important that the economic impact of such a shutdown should be cushioned in as great a way as possible. It is my hope that section 1(2) of this legislation will do just that.

Interjections.

Mr. Speaker: Order. Will the member for Nickel Belt (Mr. Laughren) just turn around, please?

Mr. Wrye: Since I believe the member for Nickel Belt would like me to say a few words, let me turn my remarks now to the question of severance pay and those portions of the bill which the Minister of Labour has spent so much of his time speaking about tonight and in introducing the legislation a couple of weeks ago.

I want to remind the minister of a resolution passed last December 12 by the select committee chaired by the member for Armourdale (Mr. McCaffrey), who now is a Minister without Portfolio, and I want to read into the record—

Interjections.

Mr. Van Horne: Your party dropped from 33 seats to 21 seats by not knowing what the devil you were doing. Why don't you just shut up and give him a chance to talk?

Mr. Wrye: They will drop even further next time.

Mr. Van Horne: You didn't know your tail end from third base. Why don't you shut up and let him talk?

Interjection.

Mr. Speaker: Will the member for London North (Mr. Van Horne) and the member for Nickel Belt please refrain?

An hon. member: Watch your blood pressure.

Mr. Van Horne: It's doing very well. Your party dropped from 33 to 21; shut up and let him talk.

Mr. Speaker: Mr. Wrye has the floor.

10 p.m.

Mr. Wrye: Mr. Speaker, I just want to read into the record the comments of the committee in its interim report, a report that was signed by the minister without portfolio, who at that point was the committee chairman, last December 12. It said:

"The committee has not yet completed its

consideration of the severance pay issue. The committee, however, perceived an urgent need to provide at least temporary protection to workers laid off before this committee reported and before more comprehensive legislation is enacted. The committee therefore recommended to the House that Bill 191, An Act to amend the Employment Standards Act, 1974, now before the assembly, be immediately amended to require a minimum severance pay of one week's wages for each year of employment for all layoffs of 50 or more workers."

There was no mention of when the provision would start; it just referred to one week's pay for each year of employment.

I want to remind the minister that just a few days later the minister accepted that recommendation in principle. I want to suggest to him that, if he had meant to accept the recommendation with the stilts at five years and with a cap at 26 weeks, perhaps it would have been appropriate for him to have said so at that time, but he did not.

Now, as part of the reality of March 19, the recommendation has changed.

Mr. Cassidy: So why don't you oppose the bill? Are you keeping the promise?

Mr. Speaker: Order.

Mr. Wrye: I think we have given quite a bit. We have been very realistic on this side in agreeing to support a bill that would affect only those layoffs of 50 or more workers and not layoffs of lower levels of 20 and 25, as many of us on this side in both parties would have preferred. However, we have been realistic in that regard. We have said to the minister that we will see whether this bill has the terrible effects that our friends on the government side always suggest after they read their chamber of commerce briefs. We will do that and—

Mr. Laughren: I am embarrassed for the workers of Windsor. You know that.

Mr. Speaker: Just ignore the interjections, Mr. Wrye.

Mr. Wrye: Mr. Speaker, the part of the legislation that has not been kept is evident in the provision to pay severance pay for those workers with five years of service or more and to cap it at 26 weeks on payment of severance. It is those two provisions which I wish to address in the next few minutes.

It seems to me absolutely ridiculous to suggest, as the minister has suggested, that a man or woman must work for the same company for five years before establishing what he

believes is some degree of permanence. I notice that he referred to the fact that they must have some past contribution.

I want to remind the minister, for example, that in most union shops a period of just three months, or 90 short days, is considered long enough for an employee to complete his probation. Then, according to both the union and the company, he is considered a permanent employee. Ninety days is exactly one twentieth of the period proposed in this legislation before the government proposes to have permanence.

Before my friends on the left waste their breath any longer, I want to say that we will be moving amendments in committee stage to change that very weak provision of this legislation.

Mr. McClellan: Isn't that brave of you!

Mr. Laughren: I am sure the workers of Windsor will be happy to know that.

Mr. Wrye: I am sure my friend will tell them.

Frankly, I think the chamber of commerce view, which so dominates the thinking of this government, prevailed in the cabinet, and the minister, desperate to keep a promise that he had given this Legislature just a few months ago, was forced to swallow his pride and accept the five-year waiting period. Five years is a very long time.

Mr. Wildman: Why do you not just accept it?

Mr. Wrye: We will not. We will move an amendment. Five years is a very long time for an employee and—

Mr. Van Horne: If only they would let that theme work a little bit.

Mr. Wrye: Oh, they will just vote against it. They do not want to amend anything and improve it; they just want to vote against it. They want to be against everything.

Mr. Van Horne: That's right.

Mr. Wrye: Five years is a very long time for an employee, and it seems most unfair to deny a worker with that degree of permanence a little protection in the event of the folding of a company.

I also want to say a few words about the cap of 26 weeks that has also been proposed in this legislation. Again, I do not remember that being part of the promise of last December 11, if we can refer back to that date. I guess like so many other things it is part of the reality of March 19.

Mr. Laughren: All it takes is labour legislation

to bring out the Liberals. Every time there is a labour bill, the Liberals come out in force and vote the wrong way.

Mr. Speaker: Order. You can proceed, Mr. Wrye.

Mr. Wrye: Mr. Speaker, such a limitation is not only grossly unfair to those workers with more than 26 weeks of experience, it is a cruel joke on those who probably devoted more than half their lives and certainly most, if not all, of their working lives in the employ of one company. In 28, 30 or 35 years such an employee has made the kind of contribution to that company, to that industry, to that city, that could hardly be rewarded by a few extra weeks of severance pay. We should give them one week's severance pay for every year of employment, no matter how long that employment has continued.

Interjections.

Mr. Speaker: Order. Order. All honourable members who want to speak will have an opportunity to speak. Mr. Wrye has the floor; please respect Mr. Wrye.

Mr. Wrye: I also want to remind the minister that the older an employee, the less the likelihood he will be able to obtain any new employment. Thus the severance pay provision becomes even more important for the employee who has 30 or 35 years' service and is getting somewhat near the age of retirement.

With the level of unemployment in this province, those seeking workers tend to overlook those who are 55 or 58 years old in favour of those 20 or 30 years younger, so the chances of getting new employment for many of those thrown out of work at the age of 55 or 58, with 30 or 32 years of employment, are severely reduced. We in this party find the limitation of 26 weeks imposed in section 2(1) of this bill very disappointing and discriminating to the very people who most deserve our support.

The member for London North (Mr. Van Horne) has reminded our friends on the left they were reduced from 33 to 21 members in the last election and this was exactly because of their negative point of view on absolutely everything. They will be reduced, I am sure, even further next time. We in this party want to be as positive as we can in view of the severe limitations of the bill. We do welcome the initiative of severance pay, no matter how timid that initiative may be. The minister can rest assured we will be trying to tighten up and improve upon that initiative as the debate in this bill progresses.

Because we want to be a positive, helpful opposition, we intend to vote to support the principle of the legislation and then try to bring out some major improvements later during committee debate.

10:10 p.m.

Mr. Mackenzie: Mr. Speaker, I rise to speak on Bill 95 with some sadness that the bill has been crucified to the extent that it has been. I could not help but think, as I listened to the previous speaker, of that little Loblaws jingle, "The price is right." It sure does not take very much to buy support. I hope the Tories take that as an open invitation to invite him across the floor.

Interjections.

Mr. Speaker: Order.

Mr. Mackenzie: It seems to me, Mr. Speaker, there has to come a time when we decide that dangling a little bit of principle out in front of the members of the opposition parties, but giving them no substance, is just not going to work any longer. That is what we are facing here.

I think a little history would be useful in regard to what has happened in this particular bill; specifically, what happened in the committee. The need for some severance pay is obvious. We said, to the consternation of some of our friends in the trade union movement, that severance pay is one of the Band-Aid measures. It is not a vitally important one, in my opinion, but certainly it can help workers involved in a plant closure. The need for it, I think, is obvious when we take a look at some of the long-serving employees in some of the plants that shut down, but it is just a very small part of what is needed in terms of plant closures.

I want the members here to understand clearly what happened in committee, and the speaker who just finished speaking should understand it clearly because I do not think he was sitting in on the hearings of the committee. A motion was moved to see whether there was something we could get out of that committee immediately, because we all knew we were facing a potential election. One of the things we decided to zero in on was the need for severance pay, surely an issue on which we could get general support from all the parties represented on the committee.

I moved the first motion in that committee, which was for severance pay—a week's pay for a year of service for any employees affected by a permanent shutdown situation. I think the

member for Windsor-Sandwich (Mr. Wrye) should be made aware, if he has not been, or he should talk to some of his colleagues, and realize that the first reaction we got was not from the Tories, although it was obvious they were going to oppose it, but from some of the Liberal members of the committee, who almost automatically raised the questions: "What are you going to do to the small business people? How can you possibly think of severance pay, a week's pay for a year of service, for the smaller operations or the smaller employers?"

It became obvious that, barring the support of the NDP members on the committee, we would not get to first base with the motion that was moved. I am not sure I was right in bowing to the counsel of my colleague the member for Riverdale (Mr. Renwick), but after a quick assessment of what was going on, it was obvious we would have neither Tory nor Liberal support on that particular motion—not a single member as far as we could see—

Mr. Mancini: That is distorted and you know it. You wanted it sunsetted.

Mr. Mackenzie: It is not distorted one bit and the member knows that also.

What happened then was that the member for Riverdale suggested, "Let's find out if we have any support at all if we go to at least those employees who are currently covered by the layoff notice provisions; that is, 50 or more." That was not what I wanted, and I am not very proud of it, but we changed the motion. At that point we started to get some support. They might have agreed to go down to 25 employees, I do not know, but that sure as hell was not the indication to begin with. The Liberals certainly made the arguments, even before the Tories did, about the impossibility of small employers being able to pay this kind of severance pay load. I think that is a lot of hogwash, but that is the argument we got.

The recommendation on the motion we made that it cover employees included in the layoff provisions under the Employment Standards Act was carried, a couple of the Tories going along with it as well. To make a long story short, we eventually got it to the point where we had an almost unanimous recommendation. I am not sure we ever had the chairman of the committee with us, but we got the rest of them on the final recommendation that came to this House.

Mr. Mancini: We led the way for severance pay and you know it. You wanted it sunsetted.

Mr. Speaker: Will the member for Essex South please refrain from heckling.

Mr. Mackenzie: Mr. Speaker, I am always amazed. For people who led the way, why was it not their motion we were debating in the committee? I have never been able to understand that.

We finally got a motion before this House that called for one week's severance pay per year of service. As far as I am concerned, that was a poor, pale substitute for what we were trying to get when we started, even in the severance pay field. However, we finally had the support of all parties on that much.

The statement made by the Minister of Labour in this House was pretty definite, as I recall. I know my leader read his words into the record when we were debating this issue after the new parliament returned. The minister said there was a commitment. I believe his words were, "This government is committed to the principle of severance pay and a severance pay bill." He went on to say that it would be retroactive to January 1. We certainly did not get any indication we were going to see a substantial watering down of that bill.

Then we had the election, the realities of March 19, and lo and behold we had the throne speech where there was no mention of severance pay. Indeed, if my information from the press scrum is right, the Premier (Mr. Davis) is quoted as saying he made no promises. Enough reporters have told me that directly that I have no doubt it is accurate. It was one of the first serious questions we raised in this House. We wanted to know where the promises were. We wanted to know where the commitment was in terms of the severance pay that had been promised so positively in this House by the Minister of Labour.

I think there was some embarrassment on the other side of the House, although that is conjecture; there is no way we can really know. I am not at all sure how the Minister of Labour could have retained his portfolio if the statement the Premier made that he had made no promises had been the final and definitive position of the government.

Certainly it was not included in the throne speech. It was obvious that even the Tories understood that if they backed out of that definite and firm commitment, the loss of integrity would be so total they would find it hard to live with.

From that point, the questions in the minds of many of us were: "What are we finally going to get? How are they going to water it down?" My suspicion, and I was wrong, was that we would

probably get two or three days' pay per year of service. However, they decided to go at it the other way.

I am glad to see the Liberal member for the Windsor riding was right on side with the recommendations of the chamber of commerce. The Canadian Organization of Small Business did not want severance pay and made that fairly clear in its recommendations. It said it should only apply to employees with at least five years' service. Two or three of these organizations also indicated there should be a ceiling on what they would get or the number of years' service that could be covered.

What was brought in in terms of the two major changes in that very simple bill we had before this House was that one had to have five years. That eliminates a number of people. One also gets only up to 26 weeks. As we found out in some of the plant closures, that certainly discriminates against those who had as much as 30 and 35 years' seniority. What we got from this government was exactly what the chamber was willing to accept in this kind of legislation. As a matter of fact, if one reads the General Motors submission, it would have given us a little more. That is very interesting when one takes a look at the information contained in the draft final report that came before this House.

With those changes we were faced with a bill that eliminated large numbers of people who might have had the minimal coverage we are talking about. Nobody can be absolutely positive, but as far as we can tell, taking a period from January 1, 1981, to March 31, 1981, there were 6,603 layoffs or announcements of layoffs in 23 full closures, and there have been 1,565 layoffs or announcements that would fall into the category as defined by this proposed legislation.

10:20 p.m.

In other words, out of the 6,600 layoffs to begin with, 1,565 would qualify if they had more than the five years in. Certainly a number of them who are long-term employees would lose on the basis of the 26-week ceiling. So we are going to deal with something less than 1,500 out of the 6,600 in the first three months of this year. On the basis of the 1980 figures, the number of employees who would benefit if they had the five years in is once again somewhere around 8,000 out of some 30,000 layoffs.

We have a real bastardization of the principle and the idea that was put before this House in the interim recommendation of that committee. With those government moves, with that under-

cutting of as little as we had before this House, this government has forfeited any and all support for this piece of legislation.

I can assure you, Mr. Speaker, that we will not be supporting the legislation the minister has brought before this House. I want you to know also, Mr. Speaker, that it is not difficult for those in the trade union movement who are concerned with this legislation to accept that. I want to read into the record a letter that has just gone out to all steelworker locals across Ontario. This letter is addressed to the Premier. It says simply:

"As layoffs and shutdowns continue to put thousands of Ontario workers out of work, we believe that the principle of severance pay is a matter of simple economic justice. Bill 95 fails as a piece of economic justice. It excludes thousands of workers by its arbitrary restrictions. Why are workers with less than five years' service discriminated against? Why are workers with more than 26 years' service discriminated against? Why are the provisions limited to closures involving 50 or more employees?"

"Bill 95 would provide severance pay to only a small minority of those workers rightfully entitled to it, and that is completely unacceptable. We urge you and your government, in the interests of justice for all working people, to rewrite Bill 95 so that it embraces all workers experiencing the tragedy of a layoff."

Or I could take the release that was issued by Bob White of the United Auto Workers: "Severance pay should only have to be used when all of the alternatives to closing a plant have been explored by a public tribunal and discarded."

While I realize that is not what we are debating, I want to get briefly into some of the other shortcomings in the legislation. "Furthermore"—I am quoting now from the UAW release—"the severance pay legislation as announced is inadequate. The workers most vulnerable to plant closings are those who work in small operations. Legislation which guarantees severance pay for work places with 50 or more employees does nothing for them. Similarly, the five years of service necessary to qualify for severance pay ignores the very real problems of younger workers, who are finding it very hard indeed these days to find another job." I would suggest that the five-year provision does discriminate against younger workers.

Bob White continues, "The Conservatives have also failed to address the issue of continuing medical coverage." He then goes on to a number of other points that are shortcomings in this legislation.

The number of people covered by this legislation is totally inadequate. The restrictions—the five years and the 26 years—are a total sellout of the principle we had before this House in the interim report from that committee. I am flabbergasted that it is enough to buy the support of the Liberal Party, but it does not really surprise me.

I want you to know also, Mr. Speaker, that we have not begun to address the serious problems of justification of pensions, of the numbers. At this moment I do not feel proud about going with the original recommendation and eliminating those under 50, but at the time that was an honest effort to see if we could find any unanimity in the three parties, any kind of recommendation on which we could get some unanimity to put before this House in terms of severance pay. We did finally get it, and we did get it unanimously.

Then, probably because of the Premier's position—and I do not think he was thinking very clearly when he made the comment that he had made no promise—when it was not in the throne speech and he could not back off and leave the Minister of Labour high and dry on a commitment as definite as that, a commitment on behalf of this government that went into some detail on the provisions that would be in the bill, the government had to come up with something. So they took a quick look at some of the recommendations from the chamber and decided that by making these adjustments in the bill that at least would get its support, they would have something with which they could come forward and still claim to be bringing in some sort of a severance pay bill to this House.

I think that is totally false. I am not prepared any longer to buy a little bit of principle where there is no damned substance involved. That is exactly what we are getting in this particular legislation. I think this bill should be amended. In committee of the whole House we will certainly move a couple of amendments to remove those changes.

I guess our position is such that if there were no five-year floor and no 26-week topping on it, we would have to vote for this bill because we moved the motion ourselves, even though we know it is inadequate. But by fooling around with the bill and putting those changes in it, this government has forfeited any right to expect the support of a party such as ours, and it sure as blazes will not get it on this particular piece of legislation.

On motion by Mr. Gillies, the debate was adjourned.

The House adjourned at 10:27 p.m.

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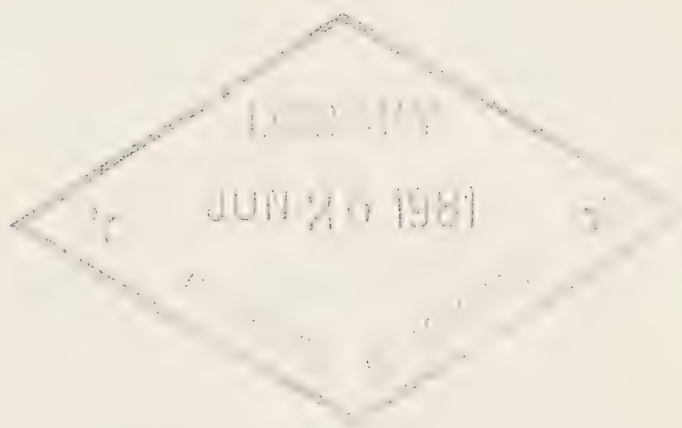


Ontario, LEGISLATIVE ASSEMBLY

No. 50

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Wednesday, June 17, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Wednesday, June 17, 1981

The House met at 2 p.m.

Prayers.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: Mr. Speaker, on a point of privilege: On Thursday and Friday last week you were asked about some serious events that had taken place between the Ontario Provincial Police and Ontario Government Protective Service personnel. I note you gave an undertaking to provide us with a full report. I wonder if you could tell us if the report is in the making now and if it will be available to us before the end of the session so we can have it before the summer?

Mr. Speaker: I will inquire into that. I really do not know. I have not received it yet.

STATEMENTS BY THE MINISTRY

PRISON FARMING PROGRAM

Hon. Mr. Leluk: A little over a year ago my predecessor in this portfolio, the member for London South (Mr. Walker), announced that the Ministry of Correctional Services would be putting inmates to work growing their own food and raising livestock. I would now like to report to members on the success of that farming program and our plans for the current year.

Last summer inmates produced more than 622 tons of root crops, 50 tons of fresh vegetables and about 1,200 pounds of fruit. In addition, the general farming activities produced more than 26,000 dozen eggs, five and a half tons of pork and 1,000 pounds of poultry meat. The wholesale value of this farming program was about \$202,000, an important cost avoidance for the taxpayers of Ontario.

This year I am pleased to announce a substantial expansion of our farming operations. Sixteen institutions will put inmates to work growing potatoes, onions, carrots, cabbage, turnips, beets, corn and oats as well as a wide variety of fresh vegetables. In total, 438 acres of land are now under cultivation. In addition, six correctional institutions are employing inmates in the raising of livestock, which currently includes 178 pigs, 73 beef cattle, plus 2,730 chickens and other poultry. We expect to produce about 50,000 dozen eggs this year, two and a half times last

year's output, and 30,000 pounds of pork, or twice last year's production.

The estimated wholesale value of this year's root crops, vegetables, feed grain, eggs and pork should exceed \$530,000, or more than double the value of our first year's production. Needless to say, this represents a substantial cost avoidance for taxpayers and will help keep down our \$5-million annual food bill for inmates. As it is, the ministry serves 6.3 million meals a year, which is more than many large hotel chains in Canada.

I want to take this opportunity to congratulate the ministry staff who supervise and administer the self-sufficiency program. This year's much-increased production is a significant accomplishment during a period of spending constraints, when funds are simply unavailable for the purchase of farming tools and other capital equipment.

Finally, I am pleased to announce that we have put inmates to work constructing a hydroponic greenhouse at the Maplehurst Correctional Centre. This special greenhouse, which uses nutrient solutions rather than soil, will enable us to grow tomatoes and salad vegetables year round.

In summary, the self-sufficiency farm program provides useful work for inmates, saves the taxpayers money and makes productive use of prison lands.

ACID RAIN

Hon. Mr. Norton: Mr. Speaker, I am pleased to report to the honourable members on the latest in a series of measures that Ontario has undertaken in the battle against acid rain.

On March 12 my predecessor, the former Minister of the Environment, Mr. Parrott, launched our first major intervention in the United States when ministry officials served the Environmental Protection Agency with a legal intervention. It opposed the relaxation of sulphur dioxide emission standards in the state implementation plans of six states, affecting 18 power plants. Later, two more power plants were added. That intervention, and the subsequent actions taken under my direction, form an

essential part of any effective campaign to combat acid rain.

Our pursuit of this intervention and other legal measures in the US is based on five key objectives:

1. To ensure that the memorandum of intent signed on August 5, 1980, by Canada and the US is considered in all decision-making that can affect acid rain loadings;

2. To take advantage of our scientific work and experience with acid rain to assist in developing a greater awareness and appreciation of the problem in the US scientific and policy-making sectors;

3. To assist the government of Canada in its important international responsibilities by demonstrating leadership and experience in combatting the acid rain problem;

4. To increase awareness among the public in the US in the belief that Americans will respond positively to protecting our shared environment when they understand the depth of the problem;

5. To underscore our conviction that without American action there can be little hope for success in protecting much of our environment in Ontario and eastern Canada.

On Friday, June 19, the ministry will make a presentation to a hearing of the EPA in Washington concerning the effects of airborne pollution in the US. This hearing relates primarily to concerns expressed by New York and Pennsylvania about pollution arising from neighbouring jurisdictions. However, we feel Ontario has much to offer in the consideration of this matter, both on our behalf and on behalf of the two states.

First, we share a common airshed with these states and suffer from many of the same transboundary concerns. Second, we are presenting relevant evidence gained from Ontario's expertise and experience in researching the phenomena. The evidence includes our data on atmospheric modelling techniques, back trajectory analysis of weather systems, the nature and effects of transboundary pollution episodes that have occurred in the past, and the information from our extensive monitoring of acid rain effects on Ontario's environment.

While this hearing will consider evidence on many of the sources we underlined in our intervention, the EPA has severely, and I believe artificially, restricted many of the issues we are convinced need to be addressed. My ministry has therefore petitioned the EPA to expand the hearings beyond the limitations currently in place. This will ensure that the

entire transboundary pollution problem is addressed before any relaxations are granted that would increase pollution.

2:10 p.m.

I believe the declaration by the former administrator of the EPA, the Honourable Douglas Costle, under section 115 of the United States Clean Air Act, gives ample scope for a wider hearing on the key issues of acid rain.

While I do not expect any sudden breakthrough in our efforts to assist the Americans in recognizing this serious environmental threat, I am confident that in the long term Ontario's steps will help considerably to establish an informed, constructive atmosphere. A strong public awareness in the US is essential to develop the necessary understanding so crucial to the negotiation of an agreement to combat acid rain. Our actions represent positive and meaningful initiatives to assist in that goal.

CO-OPERATIVE HEALTH SERVICES OF ONTARIO

Hon. Mr. Walker: Mr. Speaker, I would ask for the indulgence of the House in view of the fact that I do not have a copy of the statement I am about to read about Co-operative Health Services of Ontario. Do I have the concurrence of the House?

Mr. Speaker: Do we have the agreement of the House?

Mr. Smith: Is this a long statement? It is a complex matter. Is it just announcing the bills that are coming up?

Hon. Mr. Walker: Yes.

Mr. Smith: Okay.

Mr. Speaker: Proceed, Mr. Walker.

Hon. Mr. Walker: Mr. Speaker, on Monday the member for Ottawa East (Mr. Roy) and the member for Riverdale (Mr. Renwick) asked questions relating to the disposition of Co-operative Health Services of Ontario assets, both advocating freezing legislation. I wish to respond to the questions posed.

Specifically, the honourable members were concerned about certain profits made on the sale of real estate in which the general manager of the co-operative had used funds of the co-operative in the acquisition of the properties. I promised to investigate the situation and report back to the House as quickly as possible.

I have determined the following facts: As members are aware, the Clarkson Company

Limited was appointed receiver on February 9, 1981, to liquidate the assets of the co-operative in an orderly manner. The receiver was appointed by the Supreme Court of Ontario on application of the superintendent of insurance.

Two parcels of real estate were allegedly acquired by the former general manager of the co-operative, and mortgages in favour of CHSO were placed on these properties. One property was bought in the name of Ross Hitch in trust, the other in the name of the co-operative. The properties were subsequently sold for \$1.2 million.

The sale of the properties was completed on the basis of the agreement negotiated with the liquidator that the proceeds were to be held in trust by Montreal Trust Company, pending the outcome of the liquidator's motion for an injunction that would have frozen the funds. We understand that this profit, after payment of costs and encumbrances, totals about \$378,000. The receiver's position is that these funds rightfully belong to CHSO. Consequently, the receiver sought an injunction requiring these funds to be held in trust until the issue of ownership is settled.

On June 2, after full argument, the Supreme Court of Ontario rejected this request. However, I should add that the action claiming these funds is continuing in the Supreme Court at the moment. In the meantime I understand that Mr. Clarke and Mr. Hitch have demanded that the liquidator release the funds from Montreal Trust, pursuant to an agreement between them, Montreal Trust and the liquidator.

Our concern, which I am sure all members share, is that these funds may be dissipated before ownership of them is resolved. Consequently, later today I will be introducing a bill to preserve the funds in trust until all matters related to the distribution of the assets of Co-operative Health Services of Ontario have been determined. I will request three readings of the bill today. This bill is in specific response to a specific situation, and we are proceeding only with the full agreement of this Legislature.

Mr. Cassidy: Mr. Speaker, it is unusual to comment on a statement by a minister, but just a minute ago I had a chance to look at the legislation, which we will naturally want to look at—

Mr. Speaker: Order. You are out of order, Mr. Cassidy.

ORAL QUESTIONS

CO-OPERATIVE HEALTH SERVICES OF ONTARIO

Mr. Smith: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. The minister is making reference to the Co-operative Health Services matter. I would like an explanation from the minister as to the behaviour of his ministry with regard to this company, because it does look very much as though the barn door is being closed some months after the horses have left.

In particular, can the minister explain why it was that after the licence was renewed in April 1980—a renewal about which the ministry had considerable reservations—the ministry implemented a policy specially for this company to demand monthly reports about the state of the company, but did not bother to demand that these monthly reports be audited?

As a consequence of that, in the few months after the renewal of the licence, the funds that back up the insurance policies, which amounted to \$1.3 million when the licence was renewed, dwindled to \$11,000. When asked how this could happen, the superintendent of insurance said, "If it is not an audited statement, how could we possibly know what was going on?"

Would the minister explain to this House the purpose of instituting a monthly statement procedure on the company, when such a procedure is apparently next to useless if the statements are not audited?

Hon. Mr. Walker: Mr. Speaker, I do not have the answer to that question, but I am prepared to get it and supply it to the member.

Mr. Smith: Mr. Speaker, by way of supplementary: Given that these precise matters were those that were raised about Co-operative Health Services during the election campaign; and given that the minister has not read the Re-Mor file but assured us he was briefed on the Co-operative matter; and given that the essence of the entire Co-operative matter obviously hinged on the running down of a \$1.3-million fund to \$11,000 within a space of a couple of months—a loss of \$800,000 in June alone—how can the minister possibly tell us he has been briefed on the Co-operative matter and not be able to respond as to why it was that the ministry, when suspicious of the company, implemented a policy that turned out to be worse than useless in following it up?

Hon. Mr. Walker: I was briefed on the Co-operative Health Services matter and, as I

indicated to the Leader of the Opposition the other day, I was briefed on the Re-Mor file. Of course I have not read the 48 file drawers that the Re-Mor matter amounts to. Like the Leader of the Opposition, I too have been briefed on the contents of the file.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister has now acknowledged there is a responsibility on the government to protect the funds which the courts may decide properly belong to the people who were subscribers to Co-operative Health Services, and not to allow the funds to go into the pocket of Mr. Clarke or anybody else who might have been trying to profit from Co-operative Health Services.

Since that acknowledgement has been made, is the minister now also prepared to acknowledge there is a responsibility as far as the government is concerned for those individuals who deposited funds in the Re-Mor Investment Management Corporation and who find themselves now out of pocket to the tune of tens of thousands of dollars? Their losses are far greater than the losses of people who were subscribers to Co-operative Health Services.

Since he is prepared to come to the aid of people who lost a few hundred dollars apiece in claims through Co-operative Health Services, is he now prepared to come to the aid and to compensate those people who lost tens of thousands of dollars in Re-Mor as a consequence of the negligence of this government?

Hon. Mr. Walker: The matters are totally unrelated; they have no bearing on each other whatsoever and the question cannot be connected in any way, shape or form.

Mr. Bradley: Supplementary, Mr. Speaker: Would the minister agree there are a number of questions surrounding the role of the ministry with regard to the licensing and monitoring of Co-operative Health Services? Would he state to this House that, in his opinion at least, this matter should be reviewed by an inquiry of the justice committee along the lines of the Astra/Re-Mor inquiry?

If he believes the justice committee should deal with this matter, would he speak to his fellow Progressive Conservative members and tell them to quit stalling around and avoiding any discussion of this matter as well as the Astra Trust matter?

Hon. Mr. Walker: I think the honourable member is looking for a job for the summer. It

seems to me that the committee has enough work, and it is up to the committee to decide for itself—

Mr. Bradley: This morning I asked for it.

Mr. Speaker: Order.

Hon. Mr. Walker: It is up to the committee to order its own business. The committee is ordering its own business, and the member knows that. The opposition has members on the committee—

Mr. Bradley: You have the majority. You have the member for Oriole (Mr. Williams) stalling around.

Hon. Mr. Walker: I can recall when the opposition had a majority on that committee and it made the decisions on the way things would be done. So, what is the difference? The only difference is there is a different majority at the moment. The member does not like the fact that someone else is making the decisions. He just does not like that fact.

2:20 p.m.

VAUGHAN LAND USE

Mr. Smith: I have a question of the government House leader. Given that it is his job to assist in making this House operate in a reasonably plausible manner, and a reasonably co-operative manner all the way around—

Hon. Mr. Norton: We all have a responsibility for that.

Mr. Smith: Yes, indeed, we all have that responsibility.

Interjections.

Mr. Speaker: Order. Will the honourable member proceed?

Mr. Smith: Given that the government House leader has a certain position here in respect of the House, could he undertake to give us a reasonable and plausible chronology of the events that took place with regard to the various phone calls and actions on the Vaughan land matter?

In particular, could he find out from the member for York North (Mr. Hodgson) why it was that the honourable member would have been asked in November 1978 to intervene with the Ministry of Agriculture and Food? Why would he have waited between nine and 12 months before phoning the Minister of Agriculture and Food (Mr. Henderson)? Would he undertake to find out how it is that the minister does not know the difference between the member for York North and the Minister of Housing (Mr. Bennett)?

Would he undertake to find out for us in particular why it was that the Minister of Agriculture and Food sent out the member for Elgin (Mr. McNeil), since the minister claims that he did it merely by having been handed a note that said there was a call from the Ministry of Housing—a call which he denies answering, which he denies inquiring into—and he simply took that as a signal that it meant he ought to send the member for Elgin on a mission to Vaughan in the middle of December?

Would the government House leader understand that these answers are simply preposterous, plainly beyond credulity, and unacceptable to the opposition or to any reasonable person? Would he please undertake to talk to the member for North York, the Minister of Agriculture and Food, and the Minister of Housing, and come up with a reasonable chronology of events to explain how the member for Elgin ended up out in a field in the middle of December? Would he please do that rather than stonewalling, as the Minister of Agriculture and Food has been doing in this House?

Hon. Mr. Wells: Mr. Speaker, I would be happy to refer that question to the Minister of Agriculture and Food, who I think has answered it or will proceed to answer it. Apart from that, I think if my friend, understanding the system of how this House works and how parliamentary government works, wishes to pursue that question any further in terms of the responsibilities of the various ministers of this government, he should direct it to the Premier (Mr. Davis) of this province and leader of the party.

Mr. Smith: In the absence of the Premier, and the government House leader being in the House, is it not so that the government House leader heard the statement by the member for York North, which purported to represent a situation where he spoke with certain developers in November or December 1978 and then called the Minister of Agriculture and Food when that minister was, in fact, not even the minister until nine months later?

Was the Minister of Intergovernmental Affairs and House leader not here when I asked specifically of the Minister of Agriculture and Food that he find out what intervened, what held up the call from the member for North York? He said he was not interested in finding out.

Recognizing that we cannot question the

member for York North in this House, and recognizing that the answers are preposterous and inaccurate—

Hon. Miss Stephenson: Oh?

Mr. Smith: Yes, they are. I say again, they are preposterous and they are inaccurate.

Mr. Speaker: Proceed with the question.

Mr. Smith: Would the Minister of Intergovernmental Affairs end the stonewalling that we are receiving from the Minister of Agriculture and Food, talk to that minister, the member for North York, and the Minister of Housing, and give us an honest chronology of events, which is something we have not received so far?

Hon. Mr. Wells: Mr. Speaker, I have already answered the question.

Interjections.

Mr. Speaker: Order.

Hon. Mr. Wells: There are two of the ministers concerned with this particular matter here in the House. I suggest my friend direct his question to either one of those.

Mr. Cassidy: Supplementary, Mr. Speaker: I am sure the government House leader does not intend to have the government stonewalling and I am sure he would like to demonstrate to the House that this is not the government's intention. Would he therefore be prepared to have his party give unanimous consent to a brief change in the rules of the House, to allow the parliamentary assistant, who did intervene in this case, to answer questions and set the record straight as to what actually happened, who did what to whom, and when?

Hon. Mr. Wells: Mr. Speaker, the answer to the question is no, I would not. I do not think the rules of this House should be changed in that regard.

I think that once and for all we should put to rest the assumption that emanates from both the questioners that there is some kind of stonewalling. There is no kind of stonewalling from this side. They have been getting the answers under the rules of this House with regard to ministerial responsibility and so forth. Two of the ministers concerned with the events about which the members wish answers are here. I have referred the questions to either of those ministers, and my friends should accept that referral.

AUTOMOBILE INSURANCE RATES

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Consumer and Commercial Relations regarding the announce-

ment by Royal Trust, the largest automobile insurer, that it intends to increase its rates on July 1 by 20 per cent. Commercial Union also has announced it intends to increase its rates by an equivalent amount, and Allstate says it intends to have a substantial increase in automobile insurance rates in the fall.

If all the other automobile insurers follow these precedents from the largest companies in the field, they will be collecting \$200 million more in premiums every year from drivers in the province. Given this fact, is the minister satisfied that increases of this magnitude are warranted? What steps is the minister taking to protect consumers and drivers against excessive increases in automobile insurance rates?

Hon. Mr. Walker: Mr. Speaker, we have been monitoring the rates for some time. It is the responsibility of the superintendent of insurance to monitor all the rate increases. In the monitoring process we can say, quite fairly, that the increased cost of claims has far outpaced the increased rates. It is the observation of our ministry that in spite of the actual increases being proposed by one company and another, there is a bargain for the consumer in light of the increases in claims that have preceded all this.

In other words, it is our considered opinion that the increases are warranted, given the increases in the actual payout of claims. We are satisfied with that. This is one ministry that has been extremely diligent when it comes to the question of insurance rates, ensuring that those properly reflect what are the expenses and overhead of the particular industry. There is no question on this. We are satisfied from the monitoring point of view that the public is further ahead than it should have been, by measure of the increase in rates versus the increase in costs that the companies have had. We have accepted that. It is our considered opinion, and I hope the member will accept it as that.

Mr. Cassidy: The department of insurance has never been known in the past to carry out any kind of monitoring of rates that are charged in the automobile insurance industry. Would the minister say whether this investigation has been carried out by the department of insurance? Will he table that report in the House this week to demonstrate whether or not the increases are justified? Will he also undertake to put legislation into the House to give the department of insurance the power to roll back automobile insurance increases that are not justified?

Hon. Mr. Walker: In answer to the last question first, I do not feel that is warranted. Certainly there has been no indication of that. In respect of the matter before us, in terms of the question the honourable member has asked today, the superintendent of insurance—indeed the entire department of insurance in my ministry—has been doing this monitoring for some time.

2:30 p.m.

Let me say to the member that there is a quotation in the newspaper that I think he should have. It is from today's Toronto Star. It indicates the consumers agree. It is from a story entitled, "Car Insurers Say Premiums Going Up 20 Per Cent." The subheadline says, "Consumers Agree." The story says: "All the fuss among insurance executives has consumer activists lying low for the moment. 'I think they're telling the truth for once,' Helen Anderson, co-chairman of the Consumers' Association of Canada's economic policy committee, said last night." She said that last night knowing the facts of the increase.

Mr. Cassidy: Would the minister not agree that the comments of one representative of the CAC do not validate a \$200-million increase on the part of the industry? While there has been some increase in the loss-payout ratio, that does not necessarily prove 20 per cent is justified. It may be that 12 or 14 per cent is justified.

The ministry should also be able to report on what increased profits the insurance companies were able to get as a consequence of the sharp increase in interest rates over the course of the past year, which would offset their loss ratio in terms of claims.

Will the minister undertake at the very least to establish an automobile insurance rate review board, which will publicly report on increases in insurance premiums and thereby follow the example of the protection for consumers that is given in the Conservative province of Alberta?

Hon. Mr. Walker: No, I do not have that within my present framework of thought. All I can say is the member is impugning the motives of the CAC, a group I find believable and credible. I have a great deal of respect, indeed a great deal of time, for the comments of the CAC.

I refer the member to the fact that this particular lady, who is the co-chairman of the economic policy committee, made this statement in the light of knowing about the 20 per cent increase. She knew of the 20 per cent

increase and she said she considered they were telling the truth and she thought it was a fair increase.

SEVERANCE PAY

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Labour. Is the minister aware of the situation of the workers in the companies that appeared before the select committee on plant shutdowns and employee adjustment?

In particular, is he aware that 45 per cent of the workers at the Armstrong Cork plant in Lindsay would not have benefited from the severance pay legislation now before the House because they had less than five years' service; that 62 per cent of the workers at Tung-Sol in Brampton, which appeared before the committee, would have not have benefited because they did not have five years' service, and that 25 per cent of the workers at the Bendix Automotive plant would not have benefited because they did not have five years' service?

In view of the fact the government's legislation on severance pay would have ignored the needs of such a large number of workers in the companies that were affected by shutdowns last year, would the minister now explain how anybody could consider his severance pay legislation to be adequate?

Hon. Mr. Elgie: Mr. Speaker, as the honourable member knows we are now in the midst of debating that legislation. I have expressed my views and the members of his party have expressed theirs.

This government feels that severance pay is a payment to workers in recognition of years of service and evidence of commitment to that company along with the loss of future benefits that go with it. In recognition of the first part of that two-part principle, we feel that there should be a floor as evidence of a commitment to that company, and we chose the period of five years.

The concept of the need to demonstrate a commitment to a company is not new. A five-year floor is present in the Canadian government's severance pay legislation and, as I have indicated, a number of governments in the United Kingdom and in western Europe similarly have established floors—they have selected other numbers, admittedly, but nevertheless they have established floors—all aimed at giving evidence of the employee's commitment and service to that company, because severance pay is in recognition of that service.

The member may not agree with it, but that is

our position. We think that it is a legitimate one and that it recognizes the needs of those employees with a long-term commitment to that company who are put out of employment.

Mr. Cassidy: To take those companies again, given that 104 workers at Armstrong Cork would have been denied benefits out of the 227 workers who were laid off, that 75 of the 120 workers at Tung-Sol would have been denied benefits and that 150 of the 600 workers at Bendix would have been denied any severance pay, is the minister saying that somehow five years is a magic figure and, if one has been in a company longer than that, one has loyalty, dedication and commitment that one does not have at the period of four years and 11 months of service?

Is the minister saying that it is easier for people who have been four years with a company to put bread on the table and find a new job than for people who have been six years with a company?

Why is this arbitrary and artificial distinction being made, unless the minister is dedicated to the principles advanced by the chamber of commerce when they proposed the five-year limit? Why is the government not prepared to acknowledge that a worker who loses his job to a shutdown may be just as committed after two years of service as after 20 years of service and that when a shutdown occurs through no fault of the worker he should be entitled to severance pay without these artificial distinctions?

Hon. Mr. Elgie: I can simply reiterate in essence what I have said before, that this is the government's view, as is stated in the bill and as I have enunciated it very clearly.

I am surprised that there were some comments yesterday and today about the select committee and all the things that went with it. I refer the honourable member back to my statement of October 14, where I suggested very strongly that the committee should look at the issue of floors and ceilings and a variety of other matters, including supplementary unemployment benefits. They did not give it thoughtful, logical, argued consideration.

Those were matters that I put before the members as sincere opinions on which I wanted advice. We did not get that kind of thoughtful advice. This minister is acting in response to legitimate problems and proposing practical, progressive measures that are in the forefront in North America.

Mr. Wrye: Supplementary, Mr. Speaker:

Since the minister in his original answer referred to establishing a criterion of five years as evidence of some kind of commitment to that company, can the minister explain why he put a cap of 26 years in the legislation? Surely an employee who has spent some 28, 30 or 32 years with the same company would have given evidence of the kind of commitment whereby in severance he could have received at least one week's severance pay for every year, not with a cap of 26.

Hon. Mr. Elgie: Mr. Speaker, I am sure the honourable member knows full well that employment standards legislation is not looked at as the median or the norm or whatever; it is looked at as the minimum upon which others should build if they wish to do so during collective bargaining.

We feel, and I think some collective agreements and certainly other governments may agree with us, that six months' severance pay is a reasonable figure. The member opposite may think that six months' severance pay for himself as a member of the Legislature would not be enough. I do not know. But it has been the conclusion of this government that six months seems like an appropriate figure.

Mr. Martel: Supplementary, Mr. Speaker: In response to the minister, I think he should tell the House that it is his government that chose not to reinstitute the select committee to give its advice to the minister. We have asked that all along.

2:40 p.m.

Is the minister aware that Harold Crookell of the Centre for International Business Studies, School of Business Administration, University of Western Ontario, has stated "it will be the first time since tariff protection was introduced that the level of tariffs across a wide spectrum of goods will be less than the difference in the cost of production," and that Hill from the Ministry of Industry and Tourism indicates that over the next couple of years there is a potential of 2,000 plants closing in Ontario as a result of the recent tariff agreement?

Does he think, based on those two statements, that what he is introducing and what we are debating today will in any way meet the needs of people who potentially can be laid off in 2,000 companies, either in severance pay or without putting in justification or things to otherwise offset the problems they are going to face in Ontario in the next six or seven years?

Hon. Mr. Elgie: Mr. Speaker, we can go over this many times, but this government has made it clear that we believe we have introduced a series of amendments that bring this province into the forefront in North America—

Mr. McClellan: Rubbish!

Mr. Cassidy: You have the branch plant mentality.

Hon. Mr. Elgie: Well, it does. Whether or not the members opposite like it, it does. If they do not like it, that is their problem. But I tell them that thoughtful people—

Mr. Speaker: Order. Will the minister ignore the interjections and respond to the original question, please?

Hon. Mr. Elgie: It is very difficult, Mr. Speaker. I now understand very clearly the problems you have.

Interjections.

Hon. Mr. Elgie: I have to ignore the interjections.

Who can comment on what will happen in the future? Certainly this legislation will be looked upon as the best present anywhere in North America. I think that is a great stride forward.

If the member is saying there may be some changes from the General Agreement on Tariffs and Trade, that is nothing new. A lot of people have projected the changes, and industry and business and government are trying to react to those changes.

But surely to goodness the member knows it is meaningless to use that figure unless he also has some speculation about the number of new businesses that are going to start up. Those who have studied the situation carefully know there will always be a percentage of businesses that fail and a percentage that start up and they usually match. That has been the case in history.

RENTAL HOUSING

Hon. Mr. Bennett: Mr. Speaker, the member for Parkdale (Mr. Ruprecht) asked a question back on June 8, and in a supplementary I thought I had answered his question, but I will go into it further today.

As of this morning, the Ontario Mortgage Corporation had the following report on the Ontario rental construction loan program: "We have received 185 applications representing 18,662 units across the province. Of these, we have given approval in principle to 11,992 units, plus final commitments to 3,074 units, for a total of 15,066 units."

You will recall, Mr. Speaker, we were aiming for something in the range of 15,000 new units in Ontario.

Now, for Toronto and district, which is the immediate area, the way we have defined—

Mr. Smith: Metro Toronto, he said specifically.

Mr. Speaker: Order.

Interjections.

Hon. Mr. Bennett: I trust the Leader of the Opposition will sit and listen for a moment. It might not be his character, but I suggest this afternoon that he give us an opportunity to answer the question asked by his colleague the member for Parkdale.

Mr. Smith: The question was about Metro Toronto.

Hon. Mr. Bennett: Mr. Speaker, we have received 32 applications for 8,269 units. Of these, 5,941 have been approved in principle, with an additional 1,567 receiving final commitment, for a total of 7,508 units. In this area there are still roughly 1,000 units being processed by the Ontario Mortgage Corporation.

Mr. Ruprecht: Supplementary, Mr. Speaker: I had asked the honourable minister specifically how many units were to be approved in the Metropolitan Toronto area. We are not interested in Metropolitan Toronto and district. We are interested in Metropolitan Toronto. That is the answer we expected and that is the answer he told us here in his own remarks he was going to give this House.

Mr. Smith: Well, what is it? How many of the 7,000 are in Metro Toronto?

Mr. Speaker: Order.

Hon. Mr. Bennett: Mr. Speaker, since we break down our districts along the same lines as Canada Mortgage and Housing Corporation—

Mr. Smith: Oh, come on. You have the figures; we got them from your office.

Mr. McClellan: Hold your breath, Claude.

Mr. Smith: The answer is zero.

Mr. Speaker: Order.

Mr. Ruprecht: Mr. Speaker, on a point of privilege: With due respect, I asked that question and I expected a response specifically directed at the question that was being asked—no obfuscation or confusion but an answer to the question.

Mr. Speaker: I am not sure whether the minister has the answer to that specific question or not. Does the minister wish to respond?

Mr. Cassidy: Supplementary, Mr. Speaker: Will the minister say how many units are involved where the developer has backed out, having had approval under this plan, since the plan has been in force now for four months?

Mr. Smith: The answer is zero, and the minister knows it.

Mr. Cassidy: And specifically for Toronto and district and the rest of the province, how many units have actually started construction up until now and in how many cases have developers decided to lie low because they do not see how they can build housing under the plan?

Hon. Mr. Bennett: Mr. Speaker, in relation to the number of units the individuals have not proceeded with after making an application, I refer to the town of Grimsby, where there are 32 that have been withdrawn because they did not feel there was a market of sufficient capacity to allow them to rent the units. In Kapuskasing there were 24.

In the city of Kingston there were seven that did not meet the specifications of the program. In Kitchener there was one that did not meet the specifications. In Little Britain there were 18; and that involved a church organization that decided, rather than going under this program, it should go under the nonprofit housing program and it withdrew its application. In London five were withdrawn because they did not meet the specifications.

In Ottawa there were 239, and I have to say those 239 were by a developer who found that what he decided would be an opening rent was not one that was acceptable by the Ontario Mortgage Corporation; they could not find a meeting of the minds, and so he withdrew his application.

In Pembroke 11 units were cancelled after they made their application. In Sault Ste. Marie six were withdrawn. In Toronto there were 129, in Brampton 53, in Mississauga 100, in North York seven, in Val Rita four and in Whitby 182. A total of 821 units have been withdrawn by the developers for one reason or other, some of which I have given this afternoon.

I understand there is something in the range—and obviously I do not have the exact figure, because I have not been on site in the 100 and some areas where they are building these units—

Mr. Martel: You send Ronnie McNeil.

Interjections.

Hon. Mr. Bennett: I have a remark but I had best keep it to myself at this point.

I believe at this moment there is something in the range of a little better than 5,000 units where actual construction has commenced and some of it has proceeded very far along.

Mr. Smith: On a point of privilege, Mr. Speaker: The minister stood up purportedly to answer a question previously asked. That is what he told you he was going to do. The question previously asked was how many units of his vaunted program had been approved in Metro Toronto.

He has now answered the question twice. He has led us and this House to believe that those figures are somehow unavailable to him and that is why he has not given them. If they are available, he should surely have given them by now. If he claims they are not available, Mr. Haley in his office will be very happy to give them to him, because he has told us they are available.

Interjections.

Mr. Smith: What is the answer? Zero.

Mr. Speaker: Order.

SOUTH CAYUGA WASTE MANAGEMENT SITE

Mr. Kerrio: Mr. Speaker, I have a question of the Minister of the Environment. On June 1 my leader raised a question related to the hearings on South Cayuga. He was concerned because, according to our calculations, the hearings would not start until the spring of 1982.

I wonder if the minister recalls the answer he gave my leader when he said: "Certainly, according to my most recent communications with the board, that is not the time frame which they expected in their report. They expected the hearings would begin not later than early fall."

Is the minister aware that at the Ontario Industrial Waste Conference yesterday Dr. Chant, chairman of the Ontario Waste Management Corporation, noted that they would be getting their hydrogeological report from Gartner Lee Associates, putting together their proposal and refining their proposal, and he stated, "Therefore, full hearings won't begin until next fall," in other words, the fall of 1982?

Will the minister now admit that this whole ad hoc hearing process will not save any time but is in fact circumventing the Environmental Assessment Act and merely trying to railroad the proposal into South Cayuga without looking at any other alternative proposals, which is the very worst part of that whole new process the

government has, to look at one place and one place only and not look at what is in the best interests of the people of Ontario? I am particularly concerned about when those hearings are going to start.

2:50 p.m.

Hon. Mr. Norton: Mr. Speaker, I was not present when Dr. Chant made his remarks at the waste management conference. As the honourable member knows, I was here in the House. I think, though, on the basis of what the member has read out to me, that there are clearly two possible interpretations. The interpretation I would place upon that, the meaning of "next fall," would be this coming fall. If he is talking about a year from this fall, then that is an entirely new time frame for me. I will certainly check to see if there has been some change in the time scheduling of which I am not aware.

I think it is also important to bear in mind that regardless of the specific time frame—and even if there has been some change in that that I am not aware of—there is the likelihood of hearings under the Environmental Assessment Act requiring a longer period of time. That is still there.

As I have indicated when asked this question by others, if we were looking, for example, at several options at the same time—which I suppose is the principal difference in the way in which we are proceeding—the intensity with which a proposed site for such a development must be examined requires a very heavy application of technical expertise.

I am advised that if we were looking at four or five possible sites within the province, the level of expertise simply does not exist in sufficient concentration to do it all concurrently. The requirement would be such that the work that is now under way in terms of the South Cayuga site would have to be conducted sequentially on the variety of sites. This would mean that before hearings could even begin under the Environmental Assessment Act, we would have to have completed three, four or five such investigations, and goodness knows how long it might require.

I am still of the opinion that the way in which we have decided to proceed in this instance is the most efficient way, and it is one that also ensures a very full and open hearing process and full involvement of the residents of the community and other interested parties.

Mr. G. I. Miller: Supplementary, Mr. Speaker: The minister, at the meeting in South Cayuga last Wednesday night, June 10, claimed

that alternative sites could not be studied because of a shortage of expert consultants. May we suggest that five such consultants are available and that they are Morrison Beatty, Gartner Lee, Hydrology Consultants, Conestoga Rovers and Geocon?

How can the minister substantiate his statement in the light of this information? Since there is an absolute need for such a facility, since the ad hoc hearings will not get fully under way until the spring of 1982, since we would all like this facility in the safest location environmentally and since there are a number of excellent hydrogeologists who could conduct those studies on at least five sites, why does the minister not look at alternative sites now so that we can have a proper facility in an environmentally acceptable site as soon as possible?

Hon. Mr. Norton: Mr. Speaker, that is a question that I think I have answered on a number of occasions, and I do not intend to continue to repeat the answer even though the question may be repeated interminably.

I wish to correct one thing. During the time I was responding to the first question, prior to the supplementary, a member of my staff was in telephone contact with Dr. Chant to determine the intent of his remarks yesterday. I am advised that Dr. Chant says his intention was to refer to the fall of 1981, not the fall of 1982.

Mr. Charlton: Supplementary, Mr. Speaker: Has the minister at all considered the delays that will be involved in establishing an industrial waste management site in Ontario if this single process that is being conducted around South Cayuga should find that site unacceptable? Or is the acceptability of that site a foregone conclusion?

Hon. Mr. Norton: Of course it is not a foregone conclusion, Mr. Speaker. I recognize there are risks involved in terms of potential delay if this site is determined, as a result of the hearings—or even if the hearings recommend it, it is still open to the Ontario Waste Management Corporation to reject that site. That is a possibility. It is not a foregone conclusion.

I think it has been clear from the beginning of this process that the relationships between the government and the waste management corporation and between the government and the hearing tribunal are clearly at arm's length. I have no control, nor will I seek to exercise any control, over the way in which they receive and consider the evidence presented to them. It will be a fair, open and public examination of the

safety of that site and the safety of the technology. It will be the decision of that tribunal and the corporation that will determine whether South Cayuga is an acceptable site.

Mr. Kerrio: The minister has decided that this board can circumvent the Environmental Assessment Board involvement. Does he not agree that in each instance when they go to a new site, even if there were three or four sites to be examined, they would never be examined concurrently so that we could speed up the process?

Is the minister not afraid that, if he goes this route, every single place he decides to investigate will have to be investigated without any ability to do it concurrently—even in two or three different phases—if he does not have enough hydrogeological people to go into that one area?

Conveniently, the minister has achieved a position where he cannot consider more than one site at a time.

Hon. Mr. Norton: Some work—admittedly, it was preliminary—has been done on possible alternative sites. The member is aware of that, having seen some of the earlier reports. It is not as if there were no other possible sites that could be looked at. But I guess the short answer to the member's question is, "Yes, I do not agree."

SCARBOROUGH TRANSIT LINE

Mr. R. F. Johnston: Mr. Speaker, I have a question for the Minister of Transportation and Communications regarding a Toronto Transit Commission decision yesterday.

Will the minister explain what role he and/or his ministry played in yesterday's TTC decision to move from the light rail transit extension to Scarborough Town Centre to an intermediate-capacity transit system line? The decision was made in spite of a contrary recommendation from two senior staff officers—Mr. Berney, general manager of operations, and Mr. Lawrence, general manager of engineering and construction—in spite of a minimum of \$30 million in extra capital expenditures, and in spite of a possible two-year delay in the implementation of the line.

Is the minister so worried about the financial stability of the Urban Transportation Development Corporation that he has pressured the commission to switch its position, defy all logic and move to the UTDC line?

Hon. Mr. Snow: Mr. Speaker, I want to assure you, the House and the honourable member

that in no way have I pressured the TTC, Metropolitan Toronto or anyone else to make the decision the TTC made yesterday.

I believe it was a good decision. A letter from Mr. Godfrey was delivered to me today officially advising me of the decision. I have not had a chance to consider the questions he asked. I will be doing that in the next few days and will be responding to the TTC.

3 p.m.

Mr. R. F. Johnston: Is the minister aware that the mayor of Scarborough has been receiving letters like this one from Equity Development Group Incorporated on the question of the LRT, saying: "We are not in a position to comment on the relative merits of the alternative technology being considered, although we favour one that can be operational for 1983, and only the LRT can be so"? Is the minister aware that this company and many others are part of a \$250-million development boom that is linked to the early implementation of the LRT?

Does the minister not feel that should be given higher priority than getting the minister's Urban Transportation Development Corporation a little showplace in the city of Toronto?

Hon. Mr. Snow: It so happens this whole matter, as I recall, was raised by the elected council of the borough of Scarborough, which I understand voted unanimously with the exception of Mayor Harris to ask the Toronto Transit Commission to review its previous plans for the light rail system and to replace it with the intermediate-capacity transit system.

I did not talk to any member of Scarborough council to encourage them to take that decision. I am not aware of anyone else who did. The TTC were responding to a request—and I think a valid request—of the elected officials of the borough of Scarborough to review that decision. I believe our only role in that was to give a technical response to questions from the TTC as to the implementation of the system.

Mr. T. P. Reid: Supplementary, Mr. Speaker: The whole matter seems to be shrouded in a great deal of vagueness and cloud, and the minister has suggested that Mr. Godfrey has now written him a letter asking him certain questions.

Does the minister really believe that Metro council or the transit commission has voted to extend the time by one year and for the system to go into place at supposedly an extra cost of an additional \$31 million?

Can the minister tell us who in the

government—either at UTDC, the Premier or whoever—put the pressure on Mr. Godfrey to try, and he did accomplish it, to get this through the commission to extend the time and take a much more expensive proposition, which he does not know—and the minister apparently does not know—is even going to work in Scarborough?

Hon. Mr. Snow: I will answer the last question first, Mr. Speaker. I happen to have a lot of confidence that the system will work and that it will work very superbly in Scarborough or in any other installation.

Mr. T. P. Reid: That is why it is selling so well. What did you promise?

Hon. Mr. Snow: I think it is selling very well. The member for Rainy River may not be aware, but we have sold a \$650-million system to the city of Vancouver and the government of British Columbia.

Mr. Breithaupt: You sold Candu reactors.

Hon. Mr. Snow: Yes, and I would like to see us sell some more Candu reactors. I think that would be a great idea. I am in favour of industrial expansion in this province. Maybe some of the members in this House are not.

In any case, to answer some more of the honourable member's questions, comparing the estimated \$103-million cost of the light rail vehicle system to the estimated \$130 million for the ICTS system is somewhat like comparing apples and oranges. The LRV system—and I understand this was one of the objections of the borough of Scarborough—had the streetcars crossing major traffic arteries at grade. In other words, there would have to be disruption of traffic on the streets for the trains to cross.

That is building somewhat of an outdated system, but it had been the decision to build it on that basis and to upgrade the system later by spending a lot more money to build actual grade separations. I think it was the opinion of the borough of Scarborough's elected representatives that those grade separations were needed now.

One of the benefits of the ICTS is there will be no at-grade crossings and, because all of the system is grade-separated, there will be no interference with traffic on the existing streets. That additional cost is being built into the system now rather than being added at a later date.

If one compares the light rail vehicle system with its temporary stations to the intermediate capacity transit system with its complete sta-

tions in the initial contract and with its complete grade separated system, when one takes into consideration future extensions of the system using technology I have every confidence will be the best technology in Canada, in North America and the world, I think it is the right decision to go with the best system and pay some additional money.

I am sure when one compares these and we have our staff pull out the total figures as to what the LRV system would be if one added in the grade separations and the stations, I do not think there would be much difference in cost.

FORD WORKERS

Mr. Wrye: Mr. Speaker, I have a question for the Minister of Labour. The minister will recall my question of May 11 regarding the use of American workers at the new Ford facilities in Windsor. I acknowledge his reply by letter to that question. He will also note that on Monday the member for Windsor-Riverside (Mr. Cooke) raised this matter again with new numbers in an open letter to the minister.

Those numbers, I might add, are higher than the figures I have been able to confirm but lower than other figures given to the member for Windsor-Walkerville (Mr. Newman). Will the minister now review with the federal Department of Employment and Immigration the applications approved for American workers in Windsor? Will he table in this Legislature a complete list of the Americans working at any Ford facility in that city and district, along with the reason Canadians were not able to fill these positions?

Hon. Mr. Elgie: Mr. Speaker, as the member knows, I have responded to that matter to him and to others in the past. I will be pleased to make further inquiries of the federal Minister of Employment and Immigration, Mr. Lloyd Axworthy, but I would remind him that in each case to date each worker has received a working permit from the employment and immigration service of the federal government. However, I will review the most recent complaint.

Mr. Wrye: The minister may not be aware that as a result of inquiries we have been making in the last week the manager of the Canada Employment Centre in Windsor is holding two meetings with Ford officials today in an effort finally to get some straight answers on the number of Americans working at the Ford facilities in Windsor.

Will the minister or his senior officials obtain

details of those meetings and satisfy themselves we are receiving a full accounting of all Americans working in Windsor and the reasons those applications for work permits were approved?

Hon. Mr. Elgie: I will obtain what information we can.

Mr. Cooke: Supplementary, Mr. Speaker: This has been going on for a couple of years. I am amazed the minister does not take a stronger position with the federal government. After all, it is this government that gave \$28 million to the Ford Motor Company for jobs for Canadians, not jobs for Americans.

Can the minister find out why it is necessary that the plant manager, the program manager, the controller, the industrial relations officer and the material control officer be Americans? The list goes on and on. Is it not up to the minister to protect jobs and make sure the \$28 million his government gave on behalf of Ontario taxpayers goes to create jobs for Ontarians and not for Americans?

Hon. Mr. Elgie: Mr. Speaker, I am pleased the member has more confidence in this government than he has in the federal Liberal government.

INTEREST RATES

Mr. Martel: Mr. Speaker, I have a question for the Treasurer. In a letter I have received from the Sudbury Real Estate Board, it outlined the predicament existing home owners are faced with in renewing their mortgages. Is the minister aware that an average \$50,000 mortgage bearing an 11 per cent interest rate carries a monthly payment of \$481 and, when renewed, that same mortgage at 18 per cent interest will carry a monthly payment of \$733.19, an actual difference of \$251.92?

Can the minister tell me what the real estate board or I should do in advising people who are faced with mortgages they cannot cope with? How do we advise them? What do we advise them to do to protect their equity in their homes?

Hon. F. S. Miller: Mr. Speaker, I wish I had a pat answer for that. That kind of question, as the member knows, has been raised many times. The first part of his question was, was I aware of it? Without being certain of the figures, I will have to say they are in the right range. The same kind of percentages apply equally to people with higher and lower mortgages.

3:10 p.m.

I do not have any advice. I wish I had. I am only hopeful that the peak in the interest rates may have passed. I hope that tomorrow will see a downward trend, and indeed a number of forecasters are saying we will see a downward trend.

I have to say that the information I have received has been a little more encouraging this year. I do not have the statistics at my fingertips, but the kinds of things I have been hearing are that the rate of foreclosure has been lower than expected in view of the relative size of the interest rate changes.

I suppose one of the reasons for that is that this year we are one year more into the high interest rate cycle. Last year many people quite properly had no reason to expect the sudden and dramatic change of interest rates we saw in the months of April and March of 1980. People have been readying themselves for dramatic changes, knowing that the market rate has been much higher. I suspect the lower foreclosure rate than many expected is because a good many people have been making whatever room they can in their family budgeting to ready themselves for those changes.

Mr. Martel: In view of the fact that Ottawa is not prepared to do anything, can the Treasurer tell me if his government is prepared to use some of the money in his Treasury to assist people in some way to ensure they do not lose their homes?

Hon. F. S. Miller: I have no program that I could either afford or produce to do that.

ACTIVITIES OF REAL ESTATE BROKER

Mr. Sweeney: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations, dealing with what his predecessor probably would have called a scam. It deals with a real estate broker in the city of Kitchener who is accepting or taking over Canada Mortgage and Housing Corporation mortgages from condominium units, not paying the mortgages, renting out the units and then allowing the mortgages to lapse.

It is estimated that this real estate broker, who is licensed in this province, has fleeced taxpayers of \$300,000. Given the fact that he is licensed here, and given the fact that this minister has the power to require his registrar of real estate brokers, Allen Binstock, to order this man to cease and desist, or to lift his licence, will the minister take that action?

Hon. Mr. Walker: Mr. Speaker, I will not say at the moment whether I will take the action, but I certainly want to receive additional information, particularly the name of the individual. This is the first time the matter has been brought to my attention. If the honourable member will supply me with the details, I am prepared to supply him with an answer very quickly.

I do question the member on the one point; that is that the taxpayers have been taken for several hundreds of thousands of dollars. I am wondering how he comes to that conclusion because, even if the mortgages have lapsed, presumably there is a right to ultimately foreclose against those mortgages; so indeed the public may well be protected by the foreclosure prospect that CMHC might well have on it. Mind you, that is a problem for CMHC to resolve and beyond our purview, but I would not see any cost being imposed upon the taxpayers.

On the other hand, the matter the member raises is of a serious nature; I would like to have the details about this individual and to have our registrar investigate the matter thoroughly.

Mr. Sweeney: Given the fact that CMHC now has begun the practice of not allowing people to simply walk away, and given the fact that this real estate broker has provided this scam technique for allowing them to walk away, the Canadian taxpayers, through a real estate broker licensed by this province, are being forced to pay out approximately \$300,000.

It is my understanding that the real estate brokers' code, under which they get their licences, says those people have to operate with honesty and with ethics. It would clearly seem, given the fact that this man in a premeditated way refuses to pay the condominium fees and therefore is cheating the condominium corporation out of that money and refuses to pay the mortgage fees and therefore is cheating CMHC out of that money, he is certainly not operating in an ethical way. Would it be the minister's opinion that such a person should not hold a real estate broker's licence in Ontario?

Hon. Mr. Walker: I think we have to be careful that we do not prejudice whatever defence there may be in this case. If the facts are as the member has set them out, then indeed I think all of us will have great concern about the matter and action will undoubtedly be taken. On the other hand, I have been involved in law often enough to realize there are almost invariably two sides to a story. I would want to hear

the other side before I go any further and make a comment as to the guilt or innocence of the individual. I think it is very dangerous for us to do that. Indeed, I think it is very dangerous for us in this House to do that and may prejudice future proceedings in a court situation.

I would caution the member about doing that unless the facts are without any degree of capacity to be controverted. Pending all the details being supplied to me, and the entire story being out, I think it is wise for both of us to attempt to reduce our rhetoric on the matter to ensure there is a fair hearing for the individual. As I say, if the facts are as the member has set out, then certainly that person will be up on the carpet, but for the moment I think it is wise for both of us to exercise some caution.

REPORTS

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice reported the following resolution:

That supply in the following amount and to defray the expenses of the justice policy field be granted to Her Majesty for the fiscal year ending March 31, 1982:

Justice policy program, \$577,400.

STANDING COMMITTEE ON GENERAL GOVERNMENT

Mr. Barlow from the standing committee on general government presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill Pr14, An Act respecting the City of North York.

Motion agreed to.

INTRODUCTION OF BILLS

CO-OPERATIVE HEALTH SERVICES OF ONTARIO ASSETS PROTECTION ACT

Hon. Mr. Walker moved, seconded by Hon. Mr. Wells, first reading of Bill 120, An Act respecting Certain Potential Assets of Co-operative Health Services of Ontario.

Motion agreed to.

MUNICIPAL INTEREST AND DISCOUNT RATES ACT

Hon. Mr. Wells moved, seconded by Hon. Mr. Bennett, first reading of Bill 121, An Act to

provide Alternative Methods of Fixing Penalty Charges, Interest Rates and Discount Rates on Payments to Municipalities.

Motion agreed to.

3:20 p.m.

Hon. Mr. Wells: Mr. Speaker, this proposed legislation will offer, as an alternative to existing legislation, a consistent formula for setting interest penalties on delinquent payments and discounts for prepayments for all municipal related levies. The new formula will apply to levies imposed on ratepayers as well as to payments between municipalities and upper tiers, school boards and other local government entities.

The formula, as set out in the bill, will allow local authorities to establish an annual maximum rate to be fixed by bylaw at the prime lending rate of a designated chartered bank plus one and a half per cent. It should be noted that this is an omnibus bill which applies to all interest rate provisions in the various statutes governing local government activities. These include the Municipal Act, regional acts, the Education Act, the Assessment Act and the District Welfare Administration Boards Act.

I believe the bill offers the local government sector a more responsive means of setting interest rates by directly linking the prescribed rates to conditions present in the economy.

INSURED HEALTH SERVICES ACT

Mr. Martel moved, seconded by Mr. McClellan, first reading of Bill 122, An Act respecting Insured Services under the Ontario Health Insurance Plan.

Motion agreed to.

Mr. Martel: Mr. Speaker, the purpose of this bill is to declare that surgical procedures for breast reconstruction are insured services under the Ontario health insurance plan.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Hon. Mr. Wells: Mr. Speaker, I wish to table the answers to questions 62, 70, 84, 85, 87 and 89, and the interim answers to questions 114 and 115 standing on the Notice Paper. [See Hansard for Friday, June 19.]

ORDERS OF THE DAY

CO-OPERATIVE HEALTH SERVICES OF ONTARIO ASSETS PROTECTION ACT

Hon. Mr. Wells: Mr. Speaker, I would ask the consent of the House that standing order 53(a)

be waived so that the House might proceed with Bill 120, An Act respecting Certain Potential Assets of Co-operative Health Services of Ontario, the bill that my colleague the Minister of Consumer and Commercial Relations (Mr. Walker) has just introduced.

Mr. Speaker: Do we have the consent of the House.

Agreed to.

Mr. Breithaupt: Mr. Speaker, I just want to be clear the agreement is the bill would pass all stages today.

Hon. Mr. Wells: There does not seem to be any other standing order that stands in the way of the other stages, but that would be understood.

Hon. Mr. Walker moved second reading of Bill 120, An Act respecting Certain Potential Assets of Co-operative Health Services of Ontario.

Hon. Mr. Walker: Mr. Speaker, I will refrain from opening comments in the light of the statement that was made earlier which I think can be applicable here. I merely encourage members to proceed with all expeditiousness, given the fact that the money is there somewhere and we are a little concerned about getting this matter through in time to get that money before it disappears from its present location. With the help of the House, I think we can achieve that.

Mr. Breithaupt: Mr. Speaker, while we certainly agree there will be some expedition in this matter, I think there will be the requirement to say a few words on the general subject so that you, sir, at least will know how this matter has come before us this afternoon.

At the moment we are attempting to obtain control over some \$377,000 which results from the assets of certain transactions that have been referred to in the press. I understand the minister has arranged that notice of this intended bill has gone to Messrs. McMillan Binch, the solicitors for the Clarkson Company Limited, the liquidator of the estate, and notice has gone with respect to the intentions of the Legislature this afternoon to the Montreal Trust Company, which is holding these funds.

The way this matter has come before us has been well publicized in the press over the last several months. Co-operative Health Services of Ontario, including its subsidiary, Delta Dental Plan, was a company providing dental insurance and extended health insurance plans

for approximately 140,000 subscribers in Ontario. The company also acted as an agent in providing Ontario health insurance plan coverage.

The company was licensed under the Prepaid Hospital and Medical Services Act, which is under the jurisdiction of the superintendent of insurance in the financial institutions division of the Ministry of Consumer and Commercial Relations. The company was ordered into liquidation by the Supreme Court of Ontario on February 9, 1981, and this action was initiated by the superintendent of insurance, who had suspended the licence of the firm on February 6.

Particular problems arose with respect to the cancellation of this licence. A great variety of communities and organizations were badly discomfited by the loss of insurance coverage and we read in the press of a variety of these groups. One clipping in the London Free Press on February 21 referred to the town of Port Stanley and to Yarmouth township. There were problems with respect to the Ontario Federation of Agriculture, which had a plan with this organization covering some 3,500 Ontario farmers. The Canadian Bar Association's Ontario branch was involved as subscribers to this plan and, indeed, there was some comment earlier on that the student members of the law society at Queen's University was about the sue the bar association if it failed to reimburse them for expenses they incurred under this dental plan.

We noted that the employees of North York Hydro, of de Havilland Aircraft and the municipalities of North York and Toronto were also affected because of the various coverages which this company had set out to attend to in accordance with the terms of their contracts. One way out of the problem, I suppose, was decided on by Mayor Hazel McCallion of the city of Mississauga: she simply sent the bill of \$28,050 for the unpaid dental claims to the Ministry of Consumer and Commercial Relations. I can only assume the chief government whip, the member for Mississauga East (Mr. Gregory), is fully in favour of having that bill paid by the Ontario public. I think his service will no doubt be appreciated by Her Worship the mayor in the claims which may occur.

What happened at that point is that a variety of other companies in the province moved in immediately to ensure that coverages were not lost to a variety of the persons who might otherwise suffer. I think that should be noted,

because the insurance system within the province was quick to move in and attempt to protect a variety of these groups.

For example, Allstate Insurance took over the 700 employees in the city of Oshawa. In the city of Brantford it happened to be Mutual Life that took over the benefit packages for dental, drug and hospitalization care and other matters that had been attended to by this company. The Co-Operators Insurance in Guelph took over, as I understand, all of the general coverages for policy holders caught up in the bankruptcy and on an application they agreed to handle all claims from individuals and group accounts until the original policy period lapsed or for about six months, whichever might come first. So health plans were available and in spite of the immediate losses at least the continuing losses which might have occurred were covered by various aspects of the industry.

3:30 p.m.

There were particular concerns with respect to travel agents who attempted to attend to problems for people who were already en route or were somewhere else and had to arrange other insurance coverages. They attempted to protect their clients as best they could. I suppose extra premiums for the new arrangements would have to be billed, and if not preferred to be paid by those clients, the travel agents themselves as part of their obligation would be attending to that particular situation.

In my community, in the Kitchener-Waterloo area, some 2,500 residents had taken out coverages under the Health Plan While Outside Canada and, of course, there were other coverages that I will refer to in a moment.

At the time the insurance licence was suspended on February 6, the then Minister of Consumer and Commercial Relations (Mr. Drea) congratulated his staff for moving quickly to uncover what he called a scam within this company. However, the circumstances surrounding the eventual collapse of the company and the warning signals that the superintendent of insurance and his staff were receiving raise a lot of questions as to the sort of monitoring of this company which was being practised by these regulators. These are matters I would hope the justice committee would have the jurisdiction and the responsibility to investigate in due course.

In April of 1980, Co-operative Health Services had its licence renewed by the ministry, although the ministry at that time had some concern about the operation of the firm. There

had been an investigation into the firm, though according to the superintendent of insurance, Mr. Murray Thompson, there was not sufficient reason to refuse to renew the licence.

In April, their capital surplus was about \$1.3 million. According to Mr. Thompson, this amount was similar to what it had been in previous years, but Delta Dental Plan's business was expanding so that the amount of the premiums it was collecting and the claims it was paying were higher. This had eroded the four-to-one ratio that the department guidelines demand—that for every \$4 in premiums, an insurance company should have \$1 in surplus. Delta Dental was slightly over that four-to-one ratio.

Along with the renewal, the department sent a warning to the company to tighten its budgetary controls and to improve its premium-to-surplus ratio. In addition, according to Mr. Thompson, it also started to monitor the company and receive monthly reports of their claims records. However, this monitoring by the ministry did not alert the ministry to the fact that in the month of June 1980 alone, Delta had used \$800,000 of its surplus to pay claims. Between April and October 1980, the company used all but \$11,000 of its \$1.3 million capital surplus to pay claims which would normally have been paid out of premiums collected.

This afternoon, my leader asked a question of the Minister of Consumer and Commercial Relations (Mr. Walker) with respect to the running down of the assets of this company. The minister responded, as I recall, that in the briefing he had received, he had not been made aware of the reasons for this or how it could have happened. Yet surely, the only question one would immediately ask when faced with this kind of problem is, how did the assets get run down that quickly and who would be responsible? Indeed, it is as though Little Red Riding Hood was wandering around asking, "What wolf? What wolf?" That is the kind of circumstance that one would think would have come immediately to mind.

According to the superintendent of insurance, the monitoring procedures by the department would not have indicated that the company's surplus was being eroded because the reports did not indicate whether claims were being paid out of premiums or surplus. The department learned about the payments out of surplus only in October 1980 after it received Delta's audited financial statements. It was this reduction in surplus that resulted in the suspen-

sion of the company's licence by the department. The question then arose as to how to deal with the kinds of assets with which we are faced today in this bill.

What surprised me is, given the concerns the ministry had, to the extent that it even began monitoring the company on a monthly basis, that it did such an inadequate job. Surely if they were concerned they could have required monthly audited statements. That is the kind of issue I suggest I would like to see pursued by an investigation of the justice committee in the same way as my colleague the member for St. Catharines (Mr. Bradley) suggested today as the critic for the Ministry of Consumer and Commercial Relations.

Another matter related to the events of December 1980 is with respect to the hearing to determine whether the ministry should suspend Co-operative Health Services' licence. An adjournment of that hearing was asked for and received. The next day the company pledged all its good assets to the Canadian Imperial Bank of Commerce to secure a \$2 million line of credit. The former minister said in February: "I will tell you right now, we are going to take on that bank. That money should be given back. That is the customers' money." Of course, this bill before us is attempting to rectify that situation, because there appears to be a very strong belief that the funds on hand at Montreal Trust are the customers' money.

Mr. Gregory Morris, vice-president and regional manager for the Canadian Imperial Bank of Commerce, said in a statement following the minister's comments that perhaps not all the facts were known to the minister and that the bank had acted properly and responsibly. Clearly there is a difference of opinion here, and I have not heard or read anything since then concerning the resolution of that difference. This is another reason why the justice committee investigation might well be useful.

The more one delves into the affairs of this company and the circumstances surrounding its collapse the more questions one raises. On February 10, 1981, shortly after the company was placed in liquidation, the then Minister of Consumer and Commercial Relations (Mr. Drea) was asked how much the company owed in unpaid claims. He responded, "It has been a relatively hectic time, and the company's records are not in the best of shape."

I was a bit astonished to read this comment by the minister. I would have thought that with the concerns the ministry had and the investigation

it was doing, its records would have been somewhat more up to date and it would have required them to have been in good shape.

The minister was also quoted on February 10 as saying, "We have been concerned about them for a couple of years." Of course, he was correct in his comment that it was understandable that a young company might have financial ups and downs while it was dealing with very strong competition for a share of the market as it was developing its business.

But those comments of the former minister raise a lot more questions than they answer. If Delta had been undercutting its competitors, how might that affect its capacity to collect revenue? Was it offset by a significant increase in premiums? Is it not the case that dental insurance plans cost the insurance company a great deal in claims in the first few years as people take advantage of cheaper and better access to dental care? It is quite possible a significant expansion of those plans can seriously harm a company's prospects of financial stability. Was this what happened? Was it noticed by the regulators, and if so, what did they do about it? Those are the kinds of questions I think an investigation might answer.

This morning I tabled in the justice committee a motion that I will read to the House:

"Pursuant to the petition tabled in the Legislature on Monday, April 27, 1981, requesting the referral to the standing committee on administration of justice of the annual report of the Ministry of Consumer and Commercial Relations for the year ending March 31, 1980, that the same annual report be brought before this committee for consideration beginning Wednesday, June 24, 1981, so that the committee may investigate the role of the Ministry of Consumer and Commercial Relations with regard to the licensing and monitoring of Co-operative Health Services of Ontario."

Because of other activities within the committee this morning we were not able to reach the motion I had placed. It was just at noon, after the estimates for the provincial secretariat for justice policy, for which this minister is also responsible, that the minister came to me and told me that today we would be considering this bill. We agreed to proceed through all the stages of the bill today. I understand that even His Honour is available to make sure this bill is dealt with promptly, that royal assent is given and that, as a result, the funds on hand at the Montreal Trust Company will not otherwise go astray.

As I mentioned earlier, in my own community not only travel agents were involved in attempting to arrange other coverage but actual organizations as well. The city of Waterloo had a contract with this organization. The Waterloo County Board of Education also had a contract covering almost 3,000 employees. Even more interesting, the union members at Joseph E. Seagram and Sons Limited, which provides products that are most useful on occasion in this building and elsewhere, were concerned about their dental care. No one would want his beverages prepared by people whose teeth were aching. As a result, I am sure we would be interested in that particular as well.

This scam involved thousands of people—possibly some 120,000 to 140,000 people in Ontario—and the claims clearly affected a large number of people in nearly all the constituencies we represent, particularly in southern Ontario.

3:40 p.m.

There is one thing I should refer to, particularly because of my responsibilities as chairman of the select committee on company law. During the hearings last summer in which we were dealing with the fifth area of our insurance industry—namely accident and sickness insurance—there were a number of comments about the operation of various health and accident insurers within Ontario.

Let me quote briefly from an article which appeared in the *Toronto Sun* on February 23: “‘One major problem was that being a co-operative, Co-op Health was not technically an insurer under the Ontario Insurance Act. If it had come under the act, we could have taken over the company and its assets when it began to smell.’” That quote was from Murray Thompson.

“The irony is that Thompson wanted Co-op Health Plans to come under the insurance act, but on July 4, 1980, Co-op Health argued for special treatment in a submission to the Legislature’s select committee on company law. Co-op Health pleaded that it was a nonprofit organization and should be exempted from the more stringent controls.

“‘Regulations that are applied to profit-making insurance companies are way off base and have ulterior motives,’ its submission said, ‘but it becomes intolerable when power is exercised by a faceless bureaucracy.’ The board of directors, having no money of their own in Co-op Health felt no personal responsibility and left financial affairs in the hands of one man, Thompson said.”

I will give credit where it is due in this circumstance, because at that time we on the select committee were quite certain of the wisdom of the approach taken by the superintendent of insurance in order to have these kinds of operations clearly under close and effective rules of scrutiny. I presume if we have the opportunity to finish our report in July, as is the expectation, we will be able to address this problem. I am sorry we are somewhat in arrears of the event but clearly the resolution of this kind of circumstance must be attended to by changing the laws to ensure that the superintendent of insurance has control in these situations and that this kind of problem will not happen again.

Of course there are others who are concerned about the circumstance. None other than the former Minister of Consumer and Commercial Relations suggested on February 17 when he still held that portfolio that he would immediately introduce legislation making nonprofit health insurance companies operate under tougher controls—the kinds imposed on ordinary insurance companies. It is now about three months since the election and almost four months to the day since those comments were made. That kind of legislation has not come before us but I hope we will have the prospect of it following the consideration which the ministry may be able to give to the report of the select committee on company law in this area whenever that is completed.

I realize the suggestion he made at that time would be that it was only going to involve the nonprofit health insurance companies. According to Brian Mead, the chief operating officer of Blue Cross, it might have meant a two per cent increase in premium for that kind of trust fund. I think the prospect of a trust fund or a commitment involving probably all the providers of these insurance coverages would be a somewhat fairer way to go. It is the kind of thing that may become part of the cost of doing business, as it has done through the travel agents’ industry fund, and also with respect to the coverages under the mutual farm insurance companies.

In both those areas, strength is developed within those two commercial operations because of co-operation and the requirement to cover each other’s losses in the best interests of the system. This unfortunate circumstance with respect to the background of the bill we have before us today may well lead to this kind of thing as a cost of doing business. Certainly if a fund is to be large enough to meet all its

obligations, as the *Toronto Star* pointed out on February 24, it must receive contributions from as many sources as possible. It must also involve the strong companies as well as the weaker ones, and it must require contributions based on some relationship to the dollar value of coverages in order to attend to the circumstances here and to ensure this will not happen again.

In many ways I regret—as I am sure the minister does—that we are required to debate legislation like this today. I believe the bill is worthy of a quick passage because, obviously, these funds must be held at least until their ownership is clearly defined. They may well be, as is the presumption at least by the members of this House, the property of the persons who should have received insurance coverage and not the property of the individuals who are named in the bill.

While I may suspect that is the case I would not presume, of course, to judge in advance what decisions may be made by the courts. However, the opportunity will be there, at least until the time of the relief of the liquidator from its responsibilities to find out and to deal with this circumstance. I wish the minister well in getting these funds. I certainly hope we will be in good time to ensure this kind of thing will never happen in Ontario again.

Mr. Renwick: Mr. Speaker, I do not intend to delay the House in the passage of this bill. It is an urgent matter, and the sooner it is over and done with the better. I think there is a more appropriate forum to discuss the problems that led to the collapse of the Co-operative Health Services of Ontario than this House. That does not mean I dissent, or necessarily depart from any of the historical remarks made by the member for Kitchener who has just concluded speaking on second reading of the bill.

I am certain we will have an opportunity to discuss this matter in the standing committee on the administration of justice at an appropriate time. Whether it is through the vehicle of the annual report of the ministry on the motion that was presented to that committee this morning or whether it is when the estimates of the Ministry of Consumer and Commercial Relations come before that committee, we will have an opportunity to discuss the ramifications of the collapse of the Co-operative Health Services of Ontario.

However, I want to clearly state a number of my concerns so there will not be any misapprehension about the bill. I seldom do this but once in a long time an initiative of this party produces

government response, and very quickly. The minister, I know, will recognize that the leader of this party raised this question of a method by which these funds could be held for the liquidator until their ultimate distribution is determined by the court. It was raised on Monday in the House with the request that this kind of legislation be produced. I must say it gives me some sense of satisfaction that we had something to do with the process of alerting the ministry. I want to compliment the ministry for the immensely prompt response it made to the suggestion that the distribution of these funds should await the determination of the court.

I have a couple of matters, however, that are of concern. I do not want anyone to be under any misunderstanding, either in this chamber or outside this chamber, that we are interfering with the judicial process. It must be very clear we are not interfering with that process.

As everyone knows, last week in the course of a lawsuit brought by the liquidator against Mr. Clarke and another to determine the ownership of a piece of property and, ultimately, the disposition of the proceeds of the sale of that property, the liquidator moved for an injunction. Disposition of the proceeds of the sale will take place at some point in the future when the court has heard the substance of the arguments and made its determination. Until that should occur the liquidator quite properly tried to move in the court for an interim injunction for the period of time until the court made its final disposition.

3:50 p.m.

The court did not grant that injunction. This was not because there was no merit in the case of the liquidator but simply because the only question before the court was whether an award in damages would be an adequate remedy in the processes of the court. It was not because of any other determination. It was not a determination as to whether or not, if an award of damages was made, the moneys would be there to pay the award. I do not know how to make that perfectly clear, but that is the way I want to express it.

We are not interfering either with the decision of the judges of the court who refused the injunction, nor are we interfering with the due process to the time when it is ultimately settled by decision of the court. What we are doing is very properly exercising a power to legislate in this House on a matter of urgency to make certain that those funds are available to await the final outcome. If the liquidator wins, they

will be available for the settlement of the claims. These are estimated to run to \$3 million to \$4 million against available assets of somewhere between \$500,000 and \$1 million.

If the court decides the liquidator did not have a claim, then the other parties to the suit, Mr. Clarke and another person, will be successful and the moneys will ultimately be paid to them.

I want to make a second point in that connection. We have been bedevilled in this House for many years on an understanding of the rule called the sub judice rule. I would not want anybody to indicate anywhere, either in this House or anywhere else, that we are breaking the sub judice rule by passing this legislation.

I want simply to state, without any further elaboration, the parliamentary principle relating to the undoubted discretion of the chair in sub judice cases—and I emphasize this—and to the right of the House to legislate on any matter. In other words, the sub judice rule cannot, under any circumstances, interfere with the right of a parliamentary assembly such as this to legislate on any matter. Therefore, I want to state very categorically that this has nothing to do with a sudden desire on this House to interfere with the application of the sub judice rule which governs our proceedings.

The next point I want to make is that we are, by consent of the House, very deliberately breaking a rule of the House, or agreeing that it will be set aside so that this bill can be heard through its first and second reading in one sitting.

There is no problem under the rules with respect to the third reading of the bill, once the second reading has taken place. But I did think it appropriate to put on the record the specific rule of the assembly, rule 53(a) of the Legislative Assembly of Ontario's standing orders, dated December 14, 1978. It states "The Order of the Day for second reading of a bill shall not be called until the bill has been printed and distributed and marked PRINTED on the Order Paper." That is the particular rule, as I understand it, that we, by consent of the House today, have agreed to waive because of the urgency of the matter.

I need not go on at any length. The bill appears to me to be adequate. The bill appears to me, as usual, to have had the intelligent draftsmanship of the legislative counsel of the assembly, assisted no doubt by members of the minister's ministry, in order to make certain that it carries out our intent.

A person reading the bill may have some difficulty with it because it simply states that notwithstanding the decision of any court, the trust property shall be held by Montreal Trust Company of Canada as trustee, or by such other trustee as may be named by the Lieutenant Governor in Council, until such time as the Clarkson Company Limited applies to the Supreme Court of Ontario for discharge as liquidator of the estate and effects of Co-Operative Health Services of Ontario.

It is very clear the Clarkson Company are officers of the court. They are appointed by the court. They are subject to the jurisdiction of the court and their ultimate discharge depends upon a decision of the Supreme Court of Ontario.

It is also clear the trust property we are speaking about is the net funds that remain after the sale of certain real properties. They are now in the hands—as I understand it—of Montreal Trust Company. The net result is a wise precaution by this assembly to protect those funds as to their availability to the liquidator of this company awaiting—I emphasize "awaiting"—the decision of the court in the lawsuit, whatever that decision may be.

I trust the House will move quickly now so that the bill will receive royal assent as early as possible. It may well be that having been given notice of intention to pass this bill the Montreal Trust Company is, to say the least, in a difficult position if other people are claiming those funds. I would ask the assembly not to delay it by diversionary addresses about the history of Co-Operative Health Services or what properly may be dealt with on another occasion. I ask the House simply to pass the bill through the remaining stages and to have it receive royal assent as quickly as possible so there will be no doubt those funds will be available ultimately, if the court so decides, to the Clarkson Company as liquidator of the Co-Operative Health Services of Ontario.

Mr. Bradley: Mr. Speaker, I wish I could share the optimism that the various legislative committees or the House would have the opportunity to deal in a detailed way with the collapse of the Co-Operative Health Services in this entire issue.

Earlier today in the justice committee we in the official opposition attempted to introduce this as a subject for discussion. It would have meant approximately an hour or an hour and 15 minutes of discussion—I make a subjective evaluation—but we were prevented from doing

so by the usual procedural stalling of certain members opposite. That would have been the ideal forum in which to discuss this. Oftentimes when members engage in that kind of nonsense in committee they do not realize the chickens will come home to roost.

We wish to see this bill passed this afternoon. The member for Kitchener has indicated very clearly his support of the bill, as I do. We think it is a necessary emergency measure. We do feel there are some issues associated with this bill which must be addressed as well. Members will note the Leader of the Opposition (Mr. Smith) did deal rather extensively with this matter in a question this afternoon.

When the former Minister of Consumer and Commercial Relations (Mr. Drea) said he had been concerned about Delta and Co-Op for a couple of years, we hoped the ministry would elaborate on what sorts of concerns these were. We hoped they would say how they were dealt with and how the companies responded to these ministry concerns if and when they were communicated. The minister offered the qualification that the financial ups and downs were normal for a fledgling company.

Members will recall Delta Dental was incorporated and registered to provide nonprofit prepaid dental services to premium-paying subscribers since December 1971. Delta employed no personnel of its own but was operated on a management-fee basis by Co-Operative Health Services. Indeed, Delta Dental and Co-Op consisted of the same personalities and were even treated as one and the same entity by the ministry. I think a company that has been in business for 10 years can hardly be considered a fledgling operation.

It is interesting to look at the history of Delta's and Co-Op's relationship with the ministry. Between 1972 and 1976 the ministry's main problem with Delta was getting it to stay within the so-called four-to-one rule, where biannual premiums collected must not exceed four times the unimpaired equity in the company. This rule, which many consider too high, is a protection against a high run of claims, which could break a junior insurer.

4 p.m.

Beginning in 1975 other irregularities were continually being pointed out to Delta by the ministry. Finally, after a series of letters, the superintendent of insurance issued on June 10, 1976, a formal proposal to refuse to renew Delta's registration.

A hearing was held and the superintendent's

decision was confirmed on September 8, 1976. The major reason for the decision was that Delta Dental had, over a year, exceeded the four-to-one ratio by a very wide margin. In addition, numerous other management practices were involved: possible breaches of the statute, including illegal investments, unacceptable expenses for directors' trips and meetings outside Canada, and extra payments to certain employees for administration purposes over and above Co-operative's management fee.

The superintendent's decision was appealed by Delta to a divisional court, and the appeal was denied on June 7, 1977. On June 6, 1977, however, Delta Dental Plan of Ontario was taken over by Co-operative Health Services of Ontario for the sum of \$1 and on the condition that Co-operative set up a \$5,000 yearly bursary for the purpose of assisting in the education of a dental student while attending university, supposedly.

Thereafter, it was Co-operative Health Services that was registered with the ministry, although the only difference from the previous situation consisted in a personnel change in the office of a general manager. Delta continued to operate as a division of Co-operative Health Services.

I would like to know, if this matter ever gets to committee, whether the ministry's approval was needed for the sale. What factors were examined by the ministry in approving the takeover? Did Delta's or Co-op's operations, financial stability and managerial strength change, and if so, how?

When one reviews the financial history of Co-op, one finds the same patterns. The annual reports of the superintendent of insurance show that for the nine years 1971 to 1979 inclusive, Co-operative Health Services never had an operating profit. They show administration expenses far in excess of the cost of doing business that is normal for that type of insurance writing. They show that a net profit was achieved each year by the receipt of other income, namely, investment income at ratios more appropriate to speculative investment than to a company that was incorporated as a nonprofit co-operative.

These reports also show, starting in the fiscal year 1977-78, a recourse to large bank loans to maintain liquidity. Such loans could only have been secured on the collateral of securities and mortgages owned by the company at a significant additional cost to operations. It seems to me that this sort of activity should have alerted

the regulators to suspect that something was amiss or at least should have given them reason to examine the operations of the company more closely.

I would like to know how these annual reports are examined and whether any concerns were raised as a result of these annual reports. If not, why not? If so, what was done about it? This is a very important area that can be examined only by an investigation conducted by the justice committee. We would be unable to explore that to the extent we would want to this afternoon.

It should be noted that many of the irregularities and questionable practices complained of in the case of Delta Dental, which was closed down in its original form in 1976, were also apparent in the case of Co-operative Health Services for quite a period of time before the company was closed down in 1981, before the company was being closely monitored by the ministry in the latter part of 1980 and before the reluctant renewal of its license in April 1980.

Just to give some examples: Administration costs in this type of insurance writing should run between 15 and 20 per cent of premium income. Co-op's administration costs ranged between 20.7 and 41.4 per cent of premium income during the years 1971 to 1979. There is no discernible reduction in administration expense as business increased. Just as a comparison, the administration cost of the Blue Cross plan in 1978 was 11 per cent of premium income, against 20.7 per cent for Co-operative Health Services.

Here is another example. After Co-operative took over Delta Dental in 1977, the company reported the following performance: In 1977, when we look at the operating profit column, the loss was \$340,640, other income \$500,987 and net profit \$160,347; in 1978, the operating profit column was \$418,770, other income \$510,431 and net profit \$91,661; in 1979, when we look at the operating profit column, the loss was \$646,000, other income \$700,000 and net profit \$53,613.

This other income consisted largely of income from investments and was a net figure after deducting the cost of pledging a significant portion of the company's bonds, securities and mortgages as collateral for bank loans. It would appear that Co-operative Health Services was receiving a return of 16 per cent or better on investment.

One would have to wonder what sort of investments these were back in the late 1970s to have earned such a high rate of return. Were

they nonarm's-length dealings? Were they high-risk investments? Were they appropriate types of investments for an insurance plan? Did the ministry become concerned over the rate of return for other income? If not, why not? If yes, what did it do about it?

As members of this Legislature, we can see there are many serious questions that have to be answered concerning the role of the Ministry of Consumer and Commercial Relations. I urge members of this assembly to prevail upon the Progressive Conservative members of the standing committee on administration of justice to vote in favour of the motion of the member for Kitchener which will be proposed once again—it is unfortunate he did not get the opportunity to propose it earlier today—to begin the inquiry.

Municipalities have been adversely affected by this when they were involved in Co-operative Health Services, individuals have been adversely affected, and in one case a woman had \$25,000 worth of medical work done in Florida and was hard-pressed to do any collecting because of the collapse of this company. In our view there is obviously inadequate monitoring in this regard.

I could go on at great length but we have to recognize there is some urgency this afternoon. Once again I regret I have had to take this time in the House when it could quite easily have been dealt with in the committee this afternoon. In this party we will support this bill, because we think it is absolutely necessary that it go through this afternoon. For that reason I have spoken in favour of the bill and I hope it will be expedited before the six o'clock adjournment.

Mr. Cunningham: Mr. Speaker, I wish to speak very briefly to this bill, if I may. If we were not in such dire straits, I would be afforded an opportunity to speak at some length, because I have a number of things I would like to put on the record. In view of the rather serious situation, I am going to limit my comments.

One should be mindful of the comments made by the minister at the time this company went under in February. The minister said the company had been the victim of sharks and in that time period the company really had been solid as a rock. This latest episode is one more example of a litany of failure in that ministry, one that must be a real concern to the new minister and to the cabinet itself. In my view, the situation is a culmination of some real neglect, particularly on the part of the former Minister of Consumer and Commercial Relations (Mr. Drea).

During the month of February, when this

matter was of great public interest, the former minister took it upon himself to blame almost everybody he possibly could, except himself and senior officials within the ministry. The Canadian Imperial Bank of Commerce was blamed. The select committee on company law, of which I am a member, was blamed for not detecting what a terrible scam this would be.

The entire matter was obfuscated by some comment by the former minister that clearly there were defects in the legislation and the legislation itself might have to be repealed because of the failure of this company.

I cannot begin to say how frustrating it must be for people who are on the wrong side of claims in this matter, people in the province who were dealing with a company licensed by a registrar who, in my view, has let the side down.

As early as 1974 at the minimum it was apparent that this company was in incredible difficulty. Yet year after year this particular company and its successor have, in my view, pushed around the senior officials in the ministry who really should have known. The street talk within that ministry was they thought they were bad. They thought there were some things that were radically wrong with this particular company.

4:10 p.m.

My friends and colleagues the member for Kitchener and the member for St. Catharines have gone into some detail with regard to a number of the more serious defects in that particular company.

I will not quote at great length, but there are some interesting items of correspondence, such as the March 1, 1974, letter to the lawyer for Delta Dental from the deputy superintendent at the time, Mr. Thompson. The last paragraph will be of interest:

"Under the circumstances, unless the association is prepared to cancel the reinsurance agreement, it would be necessary to impose cancellation of this agreement as a condition of continued registration under section 9(2) of the act."

That is almost the standard closing in almost every item of correspondence directed to this particular company. "Unless you clean up your act, we are going to be forced to take you to court," or "Unless you clean up your act, we are going to be forced to cancel your registration."

The ministry should have been well aware of the disposition of the senior people in this company with regard to their reticence to restrict themselves to the ratio conditions outlined by the ministry.

Another item of interest is the general manager's report, dated January 29, 1975, to their special committee. On page two of his letter, Mr. James, the general manager at the time, said:

"Taking all of this into consideration, we have decisions to make today. I made the following recommendations: (1) We completely ignore Brewerton's letter as far as it refers to the four-to-one ratio; (2) We go politically, as my lawyer advises, and have this discrimination and restriction of trade removed by authorities higher than Mr. Grundy."

The receipt of that particular item should have been a very clear indication to the people in the ministry as early as January 29, 1975, that this operation had no intention whatsoever of living up to the guidelines wisely imposed by the ministry.

Again, on June 6, 1975, Mr. Thompson had to write to them, and the letter was delivered by hand. He advised them, again in the last paragraph: "Failure to comply with the above suggestions by June 12, 1975, will compel us to make the matter public and take legal proceedings against your department." That was the import of a letter to Delta Dental from the province of Ontario.

It is a litany of failure. It is almost a reminder really of the Astra/Re-Mor matter; the same personnel generally, the same office within the ministry and a minister who was reluctant under public scrutiny and considerable questioning to admit that it was not the Canadian Imperial Bank of Commerce that failed, it was not some defective portion of the governing legislation, it was not a scam, and that the company was not taken over by sharks; the harsh facts of reality were that the people within that ministry sadly were not doing their jobs.

I do hope that a committee of this Legislature is charged with the responsibility of taking a very detailed, objective and nonpartisan look at what exactly went wrong. There is nothing sub judice that would be infringed upon at this particular time. It is something with which I think an appropriate committee of the Legislature would be properly charged. I am only sorry that the member for Oriole (Mr. Williams) is not in his place today where he might be able to afford us his treatise on sub judice. The situation is almost analogous, completely, to the Astra/Re-Mor matter.

I hope the spirit of co-operation that has been afforded the government on this particular occasion by members of both opposition parties

is reciprocated by the minister through some direction that a committee of this Legislature, more particularly the justice committee, should be seized with this matter to take a look at exactly what went wrong. I believe that is our function as legislators.

In conclusion, I say this represents yet one more very serious failure in administrative management within this particular ministry. The minister has Astra/Re-Mor, the failure of Argosy and Co-operative Health Services and some problems within the travel industry. These are very real problems. It is an indication to me that there is something radically wrong in that ministry.

In the interest of the public in Ontario, I hope these deficiencies in administration within this ministry are corrected before other taxpayers, who rely on various statutes passed in good faith, are put in a position of disadvantage.

Hon. Mr. Walker: Mr. Speaker, there are a number of comments that I would normally make but, in view of the hour, it would be propitious for me to ask that the bill be read a second time.

Motion agreed to.

Third reading also agreed to on motion.

THIRD READINGS

The following bills were also given third reading on motion:

Bill 20, An Act to amend the Personal Property Security Act;

Bill 103, An Act to amend the Toronto Islands Act.

EMPLOYMENT STANDARDS AMENDMENT ACT (continued)

Resuming the adjourned debate on the motion for second reading of Bill 95, An Act to amend the Employment Standards Act, 1974.

Mr. Gillies: Mr. Speaker, it is a pleasure for me to rise in support of Bill 95.

Being a new member of the Legislature, I did not have the benefit of being here during the deliberations of the select committee on plant shutdowns and employee adjustment and the ongoing discussion this matter and related matters have had in the last year or so.

However, I do have some personal knowledge of what it can mean to an employee and a family when a company closes, in that my father lost his employment in 1969 after 12 years with

Westinghouse Canada in Brantford. I know what that meant to him and to our family at that time.

Therefore, I am particularly pleased to support the Minister of Labour (Mr. Elgie) in what I feel is a very progressive and necessary piece of legislation.

Members who are familiar with the bill will appreciate that it is in two parts. The first part is not designed to institute new policy but rather to make some technical changes to the existing legislation. It shows the concern of this government and the care we take to constantly re-examine and upgrade legislation.

Section 1(1) completes section 40(5) of the present act by giving the Minister of Labour the power to require companies to participate in the establishment and operation of employment adjustment committees and to contribute to the reasonable cost of such committees.

Of course, the government will continue to try to work with the companies on a voluntary basis wherever possible, but it is necessary that the government has the power to act when required by the interests of the workers to make the companies act responsibly.

Section 1(2) deals with the loophole whereby an employer is required to make payments in lieu of notice but is not required at present to continue contributions towards employee benefits. Particularly important is the provision in the bill which provides that the period covered by payment in lieu of notice is to be considered as part of the time employed for purposes of pensions and other benefits.

However, the focus of this debate on the bill is on section 2, as this establishes a new policy. I am proud to be a member of the first provincial government in Canada to provide legislated mandatory severance pay. Not only are we the first province in Canada to have such legislation, but also we are one of the forerunners in North America. Only the Canadian federal government and the state of Maine have comparable legislation, and I will argue they are not up to the standards of what we are proposing in the bill before us.

I am equally proud of the manner in which the Minister of Labour has handled this issue. While accepting severance pay in principle, he took time to examine the real concerns of everyone involved and the alternative forms of severance pay and their implications.

4:20 p.m.

As early as October 14, some time before I was in this Legislature, the minister stood in the

House, answered several questions that needed to be answered in formulating the legislation and asked for help from both the select committee on plant shutdowns and employee adjustment as well as from outside interests in resolving these difficult questions. After consultation and examination, these questions have now been answered and are explicitly addressed in Bill 95.

To the question, "Should severance pay be in addition to payment in lieu of notice and/or unemployment insurance?" the answer came back, "Yes." The bill also answers yes to the question of whether it should apply to partial as well as complete closures, and it resolves the question of minimum service requirements and protection for small businesses by requiring five years of service and 50 employees to be laid off.

I am well aware that this is perhaps the most controversial clause for the members opposite. I am very conscious of the remarks already made by my friend the member for Windsor-Sandwich (Mr. Wrye). All I will say on this is that we are introducing new legislation. It goes a long way. Time and experience will tell whether it went far enough or whether it went too far.

I say to the member for Windsor-Sandwich that there are many people who would argue on both sides of that, and I am sure these arguments will continue to be heard. There is nothing in the rules of this Legislature that says the bill cannot be amended later one way or the other.

Mr. Grande: Oh!

Mr. Gillies: It is nice to see the member for Oakwood (Mr. Grande) would agree with that.

Mr. Stokes: Yes, you may take one teeny weeny step.

Mr. Gillies: With respect, to the honourable member, this is a very big step that could have been a tangible help to my father. When I think back to 12 years ago, he would have precisely fitted into the framework of this bill.

Mr. Speaker: Confine your remarks to the bill, Mr. Gillies, please.

Mr. Gillies: Thank you, Mr. Speaker.

Mr. Grande: Was he laid off?

Mr. Gillies: He lost his job.

There are those with a very real concern that legislated severance pay may increase the problem of plant shutdowns by actually adding yet another financial drain, another debt on marginally profitable companies.

Some would argue that a company that is

essentially sound, but overextended, will not be able to pare down its operations, thus securing the jobs of the remaining workers. Consequently, these companies, the theory goes, will be forced to operate in an overextended fashion until they are finally forced into bankruptcy.

There are also those who are concerned that strict severance pay provisions may act as disincentives to those businesses considering locating in Ontario, and therefore in the long run it is detrimental to the interests of the work force.

At the same time—I would have to say to members that this is the view I am inclined towards—businesses that have profited through the use of the work force and have located in Ontario cities have an obligation to those work forces and to those cities. They cannot merely use their employees to make a profit when times are good and cast them out when times are bad. I hope and think that this legislation goes a long way to redressing that problem.

There is also the feeling that many branch plants close in full or in part because they cannot be run profitably, but given the international character of these companies, the assets of the branch plants would provide even greater profit if invested elsewhere. In these situations, it may be said that the obligation to the worker should be such that the government should provide some disincentive to closing. I would say that is a very real obligation of our government to the working people of the province.

Mr. Martel: Tell the Minister of Industry and Tourism (Mr. Grossman) that.

Mr. Gillies: I will certainly pass the member's comments along.

Given these very sincere but divergent views, it is incumbent upon the government of Ontario to come up with a viable compromise that recognizes the employee's interests while keeping adverse economic ramifications to a minimum. I believe that Bill 95 is such a workable compromise.

There are those who would say, as I mentioned earlier, that the five-year and 50-employee limitations, and certain minor exemptions from coverage, lead to this bill not going far enough. I sympathize with the people who hold this view, but I point out that we are mindful of the legislative experience of other jurisdictions. We are leading the way in severance pay in Canada, but we must not get so far ahead of our trading partners that either others refuse to follow or businesses cease to invest in Ontario.

Mr. Cooke: That's progressive conservatism.

Mr. Gillies: Thank you very much. It is a philosophy my friend could well embrace, I might add.

I point out that the legislation before us is far more comprehensive than the legislation of the federal government. That legislation provides for only two days' severance pay for every year of service to a maximum of 40 days. In this bill we are talking of one week of severance pay for every year of employment to a maximum of 26 weeks.

Unlike the federal legislation, our bill would cover dismissals resulting from economic slowdowns or lockouts. This legislation clearly includes workers dismissed while absent because of illness or injury, those dismissed because of a lack of seniority or those who have taken a reduced pension because of work slowdown.

Furthermore, our legislation, unlike legislation contemplated in some of the northern United States, is in addition to unemployment insurance and payment in lieu of notice. Even including these other payments, most of the proposed legislation in states such as Michigan, Massachusetts, Illinois, Ohio, Oregon, New Jersey, Delaware, Alabama and Pennsylvania would compensate only to the extent of 85 per cent of the employee's wages. We are talking about 100 per cent of the employee's wages.

I believe that the proposed Ontario legislation also compares very favourably with the legislation in the state of Maine which, I remind the members, is the only other jurisdiction, apart from our federal government, that has such legislation in all of North America.

The Maine legislation requires only three years of employment for eligibility, but the floor is 100 workers instead of 50, as proposed in our bill. The measure before us is thus, I believe, a progressive measure, a measure that does not put us so far ahead of our trading partners that it endangers our economic position.

It is a measure that will provide significant protection, as figures supplied by the ministry indicate, for 471,522 out of 878,532 employees who are covered by collective agreements that have no severance pay provision. This, of course, does not even take into account all of the nonunionized workers who will be protected under this bill.

We must be careful, though, as I indicated earlier in my remarks, not to be complacent. It was pointed out many times in the select committee on plant shutdowns and employee adjustment that severance pay is but a Band-Aid; it is by no means a final solution. It is a

provision to ease the pain of termination of employment; it does nothing to solve the underlying problem, which is the number of plant shutdowns. We must continue to work out new ways of preventing these closures in the first place.

This is an important measure, I believe it is a well-thought-out measure; but it is not the final solution. I ask all honourable members to join in supporting Bill 95.

Mr. O'Neil: Mr. Speaker, I also want to make a few comments. We have had quite a number of speakers over the last few days; so my remarks will be short.

I go back to the comment the Minister of Labour made this afternoon, that some members of the Legislature were not satisfied with the direction this had taken; they felt it had not gone far enough. In reply to that, the minister said the committee did not really come up with any concrete suggestions for him; so he had to decide this on his own or in consultation with some of his other people.

I remind him that the chairman of that committee was a member of his party who is now a Minister without Portfolio (Mr. McCaffrey). He had many of his party's members on there. We are quite disappointed that the minister and the present government did not decide to let the committee go on in its work. The committee, of course, was interrupted because of the election.

Representations were made to the minister and the government to reinstate that committee so we could go on with our work and make those recommendations for the minister to act on. It was the government's decision that this was not to happen, and because of that the minister has come forward with these things in the bill.

4:30 p.m.

There are mixed feelings, even within our party. There are some who feel the bill has not gone far enough and others who feel it has gone too far. This is one of the additional reasons why I wish the committee had been reinstated.

I also ask the minister to consider discussing in cabinet whether he would let this committee be re-established so we can look at many of the matters that were not finalized—not only the setting up of the committee, which he has covered, or severance pay, but also many of the other problems that lead up to the problems this bill is meant to deal with.

We saw the problems many of the workers encountered—not only the workers, but also the companies—because of the weakness in the

economy, high interest rates and inflation. I think this is really only a makeshift establishment to help us deal with some of the temporary problems, and I urge the minister to ask cabinet if we can go back into this committee so we can deal with many of the other problems that have not been dealt with.

Again, the minister has dealt with only three or four of the problems. If we were to look over the interim report brought down by the select committee on plant shutdowns and employee adjustment, just looking at the table of contents, I think members would very clearly see we have many more problems to deal with.

Just because the government has a majority, I do not think is any reason to do away with this committee. We likely will be supporting this bill but only because we feel that with the government majority we need to take certain steps at least in the direction the bill is going.

Mr. Martel: Mr. Speaker, I am not sure where one begins to deal with such a hunk of junk as this piece of legislation.

Let me remind the House of the origin of the select committee that led to the various recommendations. There were 68 plant shutdowns last year, and six partial shutdowns, affecting a considerable number of workers, and we requested the government to establish a select committee.

It does not matter in the final analysis whether it is a total or partial shutdown—or layoff for that matter—because the results are the same: people are unemployed. They do not have any income, except a little unemployment insurance, if they are lucky enough. But the result is unemployment and all that goes with it, affecting working people in this province.

The previous speaker mentioned that these operations are marginal. That is bunk; the ones we looked at were not marginal. SKF or Outboard Marine are hardly marginal. Essex International is hardly on the borderline. They do not operate in a field where they might just go broke tomorrow or where the margin of profit is not sufficient. They are well-heeled, well-established companies that made a very definite decision to go home, regardless of the consequence to the workers of this province, to the province itself or to the community. They just said, "To hell with it all," and they packed up their marbles and went home. Forget all the nonsense we hear about marginal. Bendix is marginal too?

An interesting part about it as well is that neither the unions nor the workers have any say

when a plant is going to shut down. That decision is made by management. It was interesting, in the various representations that were made to us, that even Canadian management was not given an opportunity to alter the decisions that had been made in boardrooms in the United States. They were not even consulted. I think one was consulted and they had a couple of days or a couple of weeks to try to turn it around. They would not even allow the workers in some instances to buy the plant and try to operate it in this free enterprise system. They did not want the competition.

We all know what is happening. They will return to the United States. It does not affect their market one jot. They simply close their little box here in Toronto or Peterborough or wherever it is. They put another shift on in the United States. They then turn around and ship in and we are left holding the bag to pick up the costs.

I made suggestions with respect to determining the costs of a layoff—the cost to an individual; the cost to the municipality; the cost to the province; the cost to the federal government. But damn it all, all we worry about is what it might cost the company. We never ask ourselves what it is going to cost society for that shutdown. We never try to determine what the increased costs of OHIP are; of welfare; of family benefits; of unemployment insurance; lost revenue in taxes to the municipality—nothing. They are just allowed to pick up their marbles and go home. We are given the privilege of picking up the pieces.

Workers lose their homes, and we know with these types of layoffs there is greater incidence of drinking and more mental breakdowns—the whole gamut. Our effort to ease the problem is to give 26 weeks of severance pay. That is Ontario's solution to a problem which in some of these layoffs involves costs that are astronomical. In Oshawa, according to figures presented to the select committee, lost wages alone at the nine plants that closed down were more than \$21 million.

If a worker happens to have five years' service he gets six months' severance pay. Can anyone tell me how that offsets \$21 million in wages? Costs for welfare are going to be increased in that region to the tune of \$3 million, and there is the lost revenue to the utilities and lost revenue from taxes from those companies that the town relied on to pay off their expenses.

We ask this government to at least make the beggars justify what they are doing. But we get a

response from the Minister of Industry and Tourism (Mr. Grossman) like the one my leader did on a question he raised in the Legislature regarding Harlequin. He said, "Given the strong evidence that this shutdown and loss of jobs was unnecessary, what action does the minister intend to take in order to keep these jobs in Ontario?" The minister replied: "I will be pleased to look into that, but as the member well knows, this government is not in the business of declaring, as he is, that a certain plant closure or a decision by a company to close down operations is not justified. We are not in that business."

But damn it all, we are in the business of picking up the costs. Why are we in the business of picking up additional costs for people who end up in institutions? Why are we responsible for picking up the welfare costs? Why are we responsible for all the costs municipalities incur when an industry locates there and then walks away? Who picks up the tab?

The worker gets six months' severance pay if he has five years of service—26 weeks; God help me. This is supposed to satisfy us. This is supposed to resolve the problem.

4:40 p.m.

We have a structural weakness in this economy of ours. We have had the Watkins and Gray reports on the Canadian economy and two select committee reports to this Ontario Legislature. None of the recommendations have been acted on because we are not prepared to alter the structural weaknesses in this economy.

The former select committee on economic and cultural nationalism on which I sat said: "You have to discourage foreign direct investment in Ontario and Canada. You have to encourage portfolio investment." It is so bad today that when we have nothing else to give them we simply give them money, as we did in the pulp and paper industry and as we are doing to bail out Massey-Ferguson and Chrysler.

They never have those companies give an extra dividend to the province, the feds or the workers in the banner years; we just pick up the tab and their responsibility is zilch. They just pick up their marbles, as I said earlier, and go home.

Let me quote what is really bothering me about this legislation. The thing that bothers me more than anything is two statements I put in a question to the minister today. One dealt with Harold Crookell who said, as a result of the reduction in the General Agreement on Tariffs and Trade, the cost to produce in the United

States will be more than offset by the reduction in the tariff thus making it unnecessary for those corporations to operate in Ontario.

I questioned Mr. Hill of the Ministry of Industry and Tourism on what the implications could be for Ontario as a result of that. He said we were looking at 2,000 of 13,000 companies that might go home. The Minister of Labour in his response said, "We open up new companies." Sure, because we continue to encourage the same type of investment that is creating our problems. It does not go away. With the GAAT agreement, it is going to be exacerbated. What have we put in place? We have put in place a piece of severance legislation from which a large number of the workers affected will not derive the benefits.

We can argue the game of one has to choose a figure, such as five years. The select committee twice—not once, I remind this House—voted on one week's severance pay for every year of work. It did not do it once. We twice affirmed that amendment and what have we got?

We are confronted with the potential for 2,000 plant shutdowns over the next six or seven years. I suspect that if a fifth of the workers get the benefits from this piece of legislation we will be lucky. I do not think my figures will be out much because we all know, with the rapidly changing careers people have in our society and with people changing jobs six or seven times, many of them will never get beyond five years in any one job. This is particularly so if one is not well-educated because one is the last hired and the first fired. It is obvious to me the chamber of commerce got to someone.

Remember the headlines in the paper that \$700 million annually was going to be the cost of severance pay. When they came before the select committee I questioned them on it. They did not really have those figures. It was a stab in the dark. Obviously, it frightened the hell out of some of the Tories and particularly the cabinet, because I cannot believe this minister wants this type of legislation. It is minuscule and it is mean. It is the meanest bit of legislation because it pits worker against worker. If a worker has worked for four and a half years, that fellow's commitment to the company was long-term, that is why he stayed four and a half years; but somebody who happens to have stayed five years gets severance pay. It is even mean at the other end; if a worker has given 40 years of service, he is still entitled to only 26 weeks.

If there is a partial shutdown or a layoff—tell me if the 2,400 workers at Inco were any more

laid off than those at Bendix? They were laid off. It took some of them three years to get back. Do members think they didn't have hardship? Do members know how many of those workers would have received the benefits, had they even had that in the bill? None, even if it was for layoff, because there wasn't a worker who had worked for five years. These were young men with families, paying mortgages, with no ability to relocate anywhere else, except to leave the community; and they were out. As I say, I can only believe the chamber got to some of the cabinet to force this horrendous bill on us.

I guess what bothers me most is I wonder about some of those new boys who are in the cabinet but who were on the select committee, and I think of the chairman of the select committee who is now in cabinet. I wonder what kind of fight he put up to ensure that the recommendations of the select committee were worked upon.

Hon. Mr. McCaffrey: I fought very hard.

Mr. Martel: I wonder how hard the member for Sault Ste. Marie (Mr. Ramsay) fought, having voted for it twice. I wonder about the new boys in the cabinet. I presume the Minister of Labour wanted a better bill, but somebody over there has more clout than those fellows, because they come in, as I say, with this hunk of junk.

Hon. Miss Stephenson: That is damning it with faint praise, I must say.

Mr. Martel: I have other names for the bill but I am not allowed to use them in this place.

Mr. T. P. Reid: That never stopped you before.

Hon. Miss Stephenson: You are right. I don't understand what is stopping him.

Mr. Martel: I won't comment. I want to say to the minister that I think somewhere in this legislation he has to talk about things like justification, and it is easy to work it in. I think a committee should be established which goes in and assesses the costs to society when there is notification of a plant shutdown. I suspect the costs to society are so horrendous that we are afraid to even determine what they are. They would have no alternative but to say "This just can't be closed unless you can give us a good reason." Those aren't even radical suggestions, but we should have the establishment of a committee which would look into costs and into justification.

It might bother some people in the free enterprise system, of course. It is free enterprise

as long as they are coming to government to get a handout. These corporations love to come to all levels of government for a handout. They are not averse to government interference then. They are averse to government interference in some of the decisions they want to make, because they might not be advantageous to them. Governments, if they had any intestinal fortitude might say: "No. The costs are so great that we can't tolerate closing. It would be cheaper for us to operate it rather than see 300, 400, 500, 600 workers out of work."

If there were at least some sincerity on the part of the government to look at costs and to look at justification, one might be able to say this is a beginning step. My sense is that it is the end. They might change the legislation a little bit but they needed a select committee because the heat was in the kitchen. It is going to be even worse with the GATT agreement. We are not prepared to do a thing to be ready for when that eventuality occurs. We say, "We will look at it then." By then, the minister knows, a lot of people will have suffered adversely. We should be ready now to look into these points, as well as to make this a vastly improved bill.

4:50 p.m.

We will try to amend it. My colleagues to the right and my colleagues in this party I am sure will try to amend it. I can hardly wait to see how the six Tories on that committee are going to vote. It is going to be interesting to see if they are prepared to support today what they voted for last December. If we can get those six or seven, the minister's concurrence and the members over here, we can just change this bill, but I suspect they will not have the courage of their convictions. They will be whipped into line regardless of what they voted on, not on one, but on two occasions. If I had my way I would suggest to the minister he should take the bill back, we should hoist it, and bring it back six months hence with some meaning in it and after eliminating some of these loopholes.

As a result of the present piece of legislation, I can only reiterate what my colleagues have said before me. We are not prepared to support it. We really are not. It is an insult. It really is. It is a mean piece of legislation that is divisive in the way it is going to affect working people. That is not what we want. I would urge the minister, before we get to clause by clause, to make some drastic changes.

Mr. Boudria: Mr. Speaker, I will try to be a

little more constructive than the previous speaker. I think he had a rather negative tone, if you will allow me to say so.

Mr. Martel: It is a negative bill.

Mr. Boudria: I do think the bill needs certain improvements to it. Being a new member, I was not party to the discussions held in the past by the select committee that dealt with plant shutdowns. I am not fully aware of all the issues and all the talks that went on behind it. As I see it, it does not go quite as far as I would like to see this legislation go. There are a couple of things that are particularly disturbing to me in the legislation.

The 50 or more employees clause—I know it was discussed thoroughly at the committee level—disturbs me somewhat for the following reasons. I know certain small businesses could not afford to pay severance pay when they decided to shut down their operations. That is understandable. What disturbs me is, if a company has 1,000 employees and lets 49 of them go, there is no question of severance pay for a partial shutdown. That escapes me, because certainly if a company has 1,000 employees it can pay severance pay to those 49, 45—or two for that matter.

I do not think the number of employees should be referred to in this legislation in relation to the number being let go at one time. Perhaps what should be in there is the number of employees a company has, for instance, to indicate that companies with no more than 50 or 100 employees or whatever would not have to abide by these regulations. Then, of course, we would protect small businesses from something they may not be able to afford. But in regard to a number of 50 employees being terminated within a six-month period, I do not think that is the way it should be.

There is another section which, again, I think is not the way it should be. That has to do with the five-year clause, which is tantamount to saying it will not be paid to anybody in most cases. If a company employs a few hundred people the first ones to be let go will be the newer employees. Obviously the newer employees do not have five years of service in any case, so one could say that there will be very many instances where severance pay will not be paid at all. Our party feels, and I tend to agree, that the length of time is much too long. Something in the order of one year would probably be better in this case.

There are a few other things that I think should be covered by this bill. One is the issue of

contract employees. Many employers who know they may shut down their plants in a short time may choose to hire employees on a contract basis.

In my own constituency we had a situation where the government hired contract employees for years and years at the Champlain Training School in Alfred. As we heard in this Legislature not long ago, one fine day the minister just decided he was going to let them all go and shut down the school. The effect was that everybody lost his job, and nobody was supposed to say anything about it because all were under contracts that could be terminated at any time with 10, 15 or 20 days' notice, or whatever it was.

Industry could do the same thing. If a company intends to close in a number of years, if it thinks that in one or two years its operation will be such that it may wish to shut down, it may hire employees on a contract basis. There should be something to protect against that when these contracts are not really bona fide contracts. Of course, if somebody is hiring a contractor to do a specific job, that is the purpose of a contract. But if somebody is using that contracting clause to avoid putting somebody on the payroll and therefore eventually to try to avoid paying benefits, that is not the way it should be done.

I fear it can be done this way and it has been done this way; government has done it in the past. If we are going to have something in the bill for contract employees it should also apply to government employees, again to avoid a situation I witnessed in my own constituency where 71 government employees were let go and none of them gets anything. Some of those who were full-time employees were offered jobs; others were offered jobs they could not reasonably accept.

This brings me to another area I want to question, and that is subsection 3(a), which deals with an employee who refuses reasonable alternative employment. I think we have to elaborate on what constitutes a reasonable alternative. For an employee of my area, an employee, let us say, of Ivaco Rolling Mills in L'Orignal or Duplate in Hawkesbury who may not speak even one word of English, to be offered a transfer to Oshawa is tantamount to being fired.

In my view that does not constitute a reasonable employment alternative. In industry's view that may be a reasonable alternative, but practically speaking it would be like asking you, Mr. Speaker, to go and live in Chicoutimi or Sept-

Iles. You might not be quite at ease all the time if we chose to send you there for a little while. Neither would the minister, probably. That area is of concern to me and to the electors of my area.

In substance I think this is a good bill, but I would like to see some amendments to it. I understand it is going to committee. I would like to see it expanded to cover many more people than it does right now. Of course, I recognize that the bill was proposed for one specific area, the plant shutdowns in the automotive industry in southwestern Ontario. Nevertheless, if it is to be enacted, I am of the opinion it should be broadened to cover as many workers as possible and should cover the situation that occurred in my constituency to which I referred a while ago.

I will attempt to sit in on some committee meetings, although I am not a member of that committee, as a substitute for other members so that I can have some input into broadening this legislation so it will help more people than it will in its present format.

5 p.m.

Mr. Cooke: Mr. Speaker, I want to make a few comments about this bill. We had a rather thorough debate on Thursday, about a week ago, on the plant shutdowns committee report—

Hon. Mr. Elgie: The noncommittee report.

Mr. Cooke: The noncommittee report, however he wants to refer to it. A committee nonreport?

In any case, before I get into what I have prepared, I do want to make some comments in response to the comments made by the member for Windsor-Sandwich (Mr. Wrye) last night. I will certainly take a look at Hansard from last night and make as many copies of that speech as possible and distribute them to the people in Windsor. For example, I will distribute them to the 5,000 or 6,000 Chrysler workers who have been out of work for two and a half and three years, and sometimes longer, who would not have been eligible to get severance pay under this piece of legislation.

They may have been able to take a job at General Motors. Some of them were offered jobs at General Motors but to take those jobs they had to present quit slips from Chrysler and sacrifice their pensions. If the bridge of severance pay had been available to them, that money could have perhaps been invested in registered savings plans or something else to recover their eight or nine years of service to Chrysler before their pensions would be vested.

That might have offered them some protection and some assistance so they would have been able to present the quit slips and get out of Chrysler Corporation and get in with General Motors and get jobs.

I will have to inform them. Some of the Ford workers have been out of work for two and a half years as well. They did not have and will not have the option for severance pay because this bill does not go nearly far enough in protecting the unemployed in this province.

The committee filed its interim report and made its recommendations on severance pay and I cannot conceive at all how the minister can come back into this House and say that with this piece of legislation he is fulfilling his obligations—his promise of severance pay—in line with the select committee report.

I will read the committee's recommendation. It has been read into the record several times. "The committee therefore recommends to the House that Bill 191, An Act to amend the Employment Standards Act, 1974, now before the assembly, be immediately amended to require a minimum severance pay of one week's wages for each year of employment for all layoffs of 50 or more workers."

I feel that recommendation did not go far enough, but this bill is not even close to that recommendation. It is a disappointment, to say the least. Clearly, the committee was referring in its recommendation to permanent layoffs, to partial closures and to complete closures, and this legislation is not a response in any way at all. There was no comment at the committee level about having to have five years' service in order to qualify for severance. We did not talk simply about partial and full closures, we talked about the whole gamut, all layoffs.

In 1980, the 68 plant closures represented about 8,628 workers. Of these, 22 involved 49 or fewer employees, so that eliminates 820 of those employees from getting severance pay. Then if one adds to that the number of workers who did not have five years' service—which is difficult to determine, but there would be a number of others, probably hundreds more workers in that 8,628 who would not qualify for severance pay—this means, at the maximum, 7,808 people in plant closures who would qualify. However, there were 30,073 permanent layoffs in 1980, which means this bill would only allow—

Hon. Mr. Elgie: Thirty thousand?

Mr. Cooke: Thirty thousand.

Hon. Mr. Elgie: Oh, come on. Wrong figures.

Mr. Cooke: We never have agreed on figures for layoffs, but there certainly were a substantial number of layoffs, and all those people on permanent layoff would not qualify. An optimistic view would be that this bill would cover about a quarter of the employees in 1980. This could not be construed in any way as fulfilling the promise the Minister of Labour made last year. I agree with my colleagues who say the Minister of Labour is not at all happy with this piece of legislation. He obviously had to drag cabinet in with him, even to get this lousy piece of legislation through cabinet. If he is happy with it, then I really wonder about his commitment and the statement he made last year in the Legislature.

This piece of legislation seems to be the government's entire response to the plant closure problem. It has closed down the plant shutdowns committee and will not allow it to sit any more, even though the committee spelled things out very clearly on page 34 of the interim report, chapter 5, entitled "The Way Ahead." I was going to read the whole thing but I do not think I will be able to.

The Way Ahead indicated very clearly the committee understood the problem and understood that severance pay was a very small part of the solution to the plant closure problem. It talked about the structural problems within our economy, about the need to examine the possibility of justification legislation in this province, about the fact that longer notice may be required and about an industrial strategy, which this province does not have in any way.

So what does this government do? It comes back with a piece of legislation on severance covering about 20 to 25 per cent of the workers. That is its response to the plant closure problem, even in the light of comments by the Ministry of Industry and Tourism people, as my colleague from Sudbury East (Mr. Martel) has said—that 2,000 branch plants will be closing over the next seven years. Yet this government says: "That is not important. The only thing we are going to do is give you a small Band-Aid covering a very few employees. Be happy with that because this is majority government. We do not have to look at the problem any further. That is the reality of March 19."

If this government is serious about attacking the plant closure problem and the employment problem the plant shutdowns committee must be reconstituted. There must be a study in one of the communities to find out the cost so we really know what we are facing, and we can

really examine the problem and come up with some adequate solutions rather than this rather small solution the minister expects us to accept.

The basic problem in this province is the industrial strategy, the ownership of our industry, the amount of imports of manufactured goods. The solution lies in job creation, so we have to look at industrial strategy in this province. The solution of the Minister of Industry and Tourism (Mr. Grossman) so far seems to have been based on global product mandating and more foreign investment. Even the idea of severance pay indicates very clearly that the government is going to rely on more foreign investment. It does not want to bring in good severance pay, because it is afraid this is going to chase away foreign investment.

When are we going to begin to look at developing a manufacturing base in this province so that we eliminate the \$17 billion deficit we had in Canada in 1980 for manufactured goods? When is that problem going to be addressed? When are we going to address the problem of companies like McDonnell Douglas? It is obviously a branch plant; it had no benefits from the F-18 contract and was not even aware of the contents of that contract, as it testified before the plant shutdown committee.

5:10 p.m.

When are we going to deal with companies like Bendix, an irresponsible company that was making a profit, decided to pack up and leave, gave its workers pay in lieu of notice, just took its equipment out without looking at the alternatives, and even refused to set up a manpower adjustment committee?

These are the real problems of plant closures in this province. The minister has not indicated in any way at all, nor has his colleague the Minister of Industry and Tourism, how we are going to attack that problem. They look at severance pay, they set up a committee to study pensions in the province and that is the entire solution.

The structural problems are the base of this problem: the lack of research and development in this province, the control of our economy basically by the United States and the lack of any will on the part of this government or the federal government to develop a Canadian economy to fill our own need for manufactured goods rather than having to import, so that we could get the jobs rather than the United States and other foreign countries.

This legislation is very disappointing. I have no qualms about voting against it later on this

afternoon. We will obviously be presenting amendments in committee of the whole that I hope the government will reconsider and make the bill a bit stronger. But I am not even sure this government totally understands the real problem of plant closures. If they do understand it they are certainly doing a pretty good job of—if I may say so—covering up the problem.

Mr. T. P. Reid: Mr. Speaker, I rise to speak on this bill with mixed emotions. I had the opportunity to sit in on some of the meetings of the plant shutdowns committee last year before the election. I found it interesting that Steep Rock and Caland Ore were before that committee, two mining companies that went out of operation in Atikokan in my constituency.

It was interesting that at that time my friends on the left, the socialists, were waving their banners and screaming and hollering about the situation in Atikokan. I was of the opinion that both those companies had shown a great deal of interest in the community and in their employees by doing some of the things that are required by this bill.

Subsequently we had an election after that committee and others were disbanded, and the good people of Atikokan, despite being faced with the shutdown of their major industry, saw fit to re-elect the local member.

It is also interesting that the whole question of the way the shutdowns were conducted was not raised during the election. I think that reflects well on the two companies that were involved, Steep Rock and Caland Ore. But we are not here to talk about companies that see and realize what their social responsibilities are; we are here rather to deal with those companies that might not see or understand what their responsibilities to their employees and to the community are.

People often ask me as a member of the Legislature why we pass bills like this. We pass them, obviously, because people will often not play by fair, understood rules, so that everybody will know what the rules of the game are.

There are shortcomings in this bill. I would suspect, as has been pointed out by others, that the minister probably realizes them better than most of us. Obviously the realities of March 19, of which we are constantly reminded—and this bill is a reminder of them also—have indicated that the minister could not quite get what he, who has been referred to on occasion as a red Tory, might want to see. A red Tory would fit in well with the Liberal Labour Party. As a matter of fact, if we can find 10 more we can form our own party.

One thing that concerns me, and I know we are speaking in principle, is the fact a lot of the procedures in the bill are not mandatory but can arise if the minister sees fit to set up a committee or to require this or to require that. It seems to me these things should be mandatory. Everyone should know what the rules of the game are. Some of the vocabulary in this bill seems to be deliberately vague and, when we go over it clause by clause, perhaps we can speak to those points.

It is interesting to know the history of this bill. When questions were asked when the House reconvened after the election the Premier indicated he had made no commitment to the Legislature—he had made no promises that legislation such as this would be brought in—even though the Minister of Labour said he had made a commitment. The Minister of Labour perhaps did not win all the fights in cabinet, but he no doubt used that well-known device of saying, “If I don’t get this, I will be forced to resign.” There are some of those dinosaurs newly elected—

Hon. Mr. Elgie: Clear logic works in this party; none of that threat stuff.

Mr. T. P. Reid: Clear logic? If it were, that would be the first time in my 14 years in this place in which it has worked.

Hon. Mr. Elgie: Are you running for leader?

Mr. T. P. Reid: I would really be giving the minister hell if I were.

I have a question in my mind I hope the minister in his remarks a little later on will be able to answer. As I understand the bill, we are talking primarily about plants that are closing down completely and going out of business. As the minister knows, his government in conjunction with the federal government has recently been giving to the pulp and paper companies across Ontario, grants ranging from a few million dollars to \$23 million.

One of the end results of these grants is going to be that people will be laid off as the modernization goes on. Obviously machines will replace the employees and some are going to find themselves out on the street.

In an instance the minister is aware of because I sent him a letter recently, the Kenora mill of Boise Cascade will be laying off close to 400 employees. The number seems to vary but I would say 350 would be a fair one to use. These people will be laid off as a result of modernization.

The question I had was whether this act will

apply to partial layoffs or permanent layoffs of this kind due to technology, automation, upgrading, modernization or whatever one wants to call it. Will the minister require under the act, not "may set up" but "shall set up" committees within these industrial organizations? Will he require adjustment committees, manpower committees, assistance in manpower consulting and job retraining and so on?

It is interesting as a sideline that, because of the money being given to Boise Cascade, not only will they be laying off some 350 people but I understand from the unions involved in Fort Frances and Kenora they are doing away with their apprenticeship programs.

Hon. Mr. Elgie: It's not true.

Mr. T. P. Reid: The minister says that is not true. I hope he will respond to me.

Hon. Mr. Elgie: It is not true.

5:20 p.m.

Mr. T. P. Reid: It is not true? I am glad to hear that, but it is a point that perhaps has been left out in the consideration of this bill; and matters such as these that I have been speaking about.

Mr. Speaker, there are other members who wish to speak on this bill. They are matters that we will be bringing up, amendments during clause-by-clause and specifics. I feel, as do most of my colleagues who have spoken, that in many ways this bill does not go far enough in providing protection to the workers. However, before I finish I must dissociate myself from most of the remarks made by my socialist friends. They have never understood business enterprise. It includes employees but also includes the bringing together of capital, management, resources and employees to produce something. They have never understood how the whole system works, which is why, amongst other reasons, they were decimated in the last election and will probably go down even further in the next election.

Obviously, we have to find a balance in these things, which is a good Liberal position. I would bring to the attention of my red Tory friend across the way that the balance in this instance does not go far enough in protecting employees who may find themselves laid off through no fault of their own just because of the way the world is turning. The whole question of automation and technological change is one that is not really addressed as such by this bill and it seems to me this whole matter is more important than just amending the Employment Standards Act from time to time. One of my frustrations and

feeling has been that the ministry and minister on occasion has failed in this regard to do proper manpower studies to deal with these matters.

It is interesting that we are still engaged in recruiting people—particularly from Europe but also from other countries—to come to Ontario to fill jobs when we have never had higher unemployment in the province. In fact, layoffs are going to take place in the next few years because of technological changes and because of corporate decisions. What are we doing to address ourselves to those problems? This bill does not do that, nor do I suggest it should—it should not. But the minister should be dealing with those matters. I hope we will hear something about it, not on this occasion but before the close of the House.

Mr. Grande: Mr. Speaker, I will be brief. I think the position of this caucus has been put well by the member for Hamilton East, the member for Sudbury East and the other people who have spoken before me. I am just going to take a few minutes and I hope inject into the debates something new that has not been said before.

Above all, let me say to the minister, that the other night while debate was going on I was not being facetious at all when I said to the minister that he should take this bill back. It would be an act of magnanimity. The minister has a majority government and anybody knows he can push through this Legislature any bill he wants. And he can put any conditions he wants on that bill and nothing can happen to it. He is also in a very good position because the Liberals are supporting him. It will really be an act that will catapult him into the leadership of the Progressive Conservative Party when the time comes, as soon as the Premier decides to go.

Let me say to the minister, who I am sure is listening while talking, that for a man who is used to performing delicate operations—he is a neurosurgeon, after all—boy he is really using a blunt instrument this time. The bill has the roughest edges we have seen in this Legislature in a long time. It has been said the number of permanent layoffs for which this bill will do some good is approximately 29 per cent of all the people who have been permanently laid off from January to the end of March of this year. In effect, the minister can say the bill does some good. But let us not forget there are still another 71 per cent of workers who were permanently laid off in the first three months of this year and

who will receive no benefits whatsoever from this piece of legislation. I am sure the minister is aware of that.

When the minister, or whoever, concocted this mouse everybody in the province was expecting the golden fleece. I am sure he knew exactly what the intent of this bill was. Majority government indeed. Liberal support indeed. This bill really does not address the problems of the workers of Ontario. I say take it back and it will really be an act that I suspect will put the minister into the front seat where the Premier sits. I know the member does have aspirations.

I want to talk about an open letter I wrote on January 19, 1981, to the Premier and to the Minister of Labour giving them some information that had come to my attention. That information made labour history in the province in terms of severance pay. I told them that at the Royal Ontario Museum—the province pays about 85 per cent of that institution's funding—one of the supposed executives, a \$30,000-a-year accountant, was fired after working there 12 years. He was told to go, his services were no longer required. This individual got in touch with his lawyer, who got in touch with the director of the museum and they settled for \$45,000 severance pay, plus \$5,000 to hire a consulting firm to find him a job. If my arithmetic is correct, this individual received one and a half months' severance pay for every year he worked.

If that is good enough for an executive of the Royal Ontario Museum what is the matter with the workers in the province? Why can the workers not get that kind of severance pay benefit? Is the public purse more generous when the Royal Ontario Museum turns \$45,000 over to a person who worked there for 12 years? I am not saying the museum should not have done it. I think workers should get as many benefits as they are entitled to. But the fact remains the minister does not translate that isolated example at the Royal Ontario Museum into good, or at least mediocre, severance pay legislation. In essence, it is an—I do not want to use the word, but it does not come close—

Hon. Mr. Elgie: Go ahead.

Mr. Grande: I was going to say it is an abortion of what severance pay legislation ought to be.

5:30 p.m.

The fact remains that when the minister made his commitment and the Premier repudiated the minister's commitment—

Mr. Bradley: He threatened to quit.

Mr. Grande: I do not know whether he threatened to quit or not; I am not privy to what goes on in cabinet.

But the fact is that clearly the minister said to the Premier, "I will have to justify my integrity here; forget my integrity as a politician—but my integrity as a man. I have made a commitment. I have made a promise." So the Premier said, "All right, calm down. We are going to concoct something that has the appearance of severance pay legislation." That is exactly what this bill before us is today: for 81 per cent of the permanently unemployed or permanently laid-off workers in this province this is just the appearance of severance pay legislation and nothing else.

I know the odds are probably 9,999 out of 10,000 that the minister will not take back this bill. But I suggest to him in a serious vein: take it back; take a good look at it, and bring in some real severance pay legislation. As the member for Sudbury East has said, the important aspect of severance pay legislation is that all the workers who lose their jobs will have some sort of compensation. That is the principle of severance pay. This bill deviates totally from that principle.

Mr. Bradley: Mr. Speaker, I rise to join in this debate on a bill that we in the official opposition feel has been a long time coming and a long time overdue.

I did not have the opportunity to sit formally as a member of the select committee on plant shutdowns and employment adjustment. However, many of my colleagues did, and from time to time I had the opportunity to drop in to listen to some of the representations being made by various groups before the committee.

It is my view that the Legislature, through the government, should be dealing with a number of matters which flowed from the final report of the select committee, recommendations which, in my view, would have provided far more security for working people in this province than the piecemeal approach the present government has decided to take, at least for the present.

Naturally, we look at this as a minor step in the right direction. To say it is not a step in the right direction, I think, would be inaccurate and unfair, even though perhaps we feel the bill can be strengthened. Now that we are in a majority parliament, and we are the opposition, the easy thing to do would be to oppose the bill, to go down with the guns blazing.

We in the official opposition have not chosen

that course. We are reluctantly supporting the bill and attempting to make amendments to it that we feel will strengthen its provisions. Many members of the Legislature have spoken about those who would not be compensated or covered by this bill. And I well recall the employees of Columbus McKinnon in the city of St. Catharines, who, after a very long strike, had their employment terminated.

I know the Minister of Labour, who at that time had just received that appointment, worked very hard and was extremely concerned on a personal basis with the outcome of the negotiations. I think he did his very best under the circumstances to attempt to resolve the matter. Unfortunately, we did not have legislation in place in Ontario that would have given the minister the clout he would have needed to attempt to solve that problem.

Ultimately, after the closing of that company a number of people were adversely affected by the lack of coverage in terms of pensions, particularly the workers in their 30s and 40s who might have been with the company for some time but were not to be covered. Others had their benefits diminished.

As the member for Rainy River (Mr. T. P. Reid) indicated, provision of severance pay within the bill is required, because some companies in this province do not have a conscience and are not prepared to live up to the moral commitments necessary to operate in a province that we hope is progressive and forward looking.

We are pleased the minister is taking a step. We are pleased some mandatory compensation is going to be necessary in terms of this bill. It is unfortunate that those who work for a company with fewer than 50 workers are not going to be covered. It is unfortunate that those companies that decide to close down certain operations and lay people off permanently may in theory do so 49 at a time and therefore circumvent this legislation. Although we have the commitment of the minister that he is prepared to address that problem if it arises, it would be far superior to have that problem addressed in the legislation.

We also look with some favour upon the setting up of committees, forcing companies that are not prepared to do so on a voluntary basis to show some thought for the workers and to look at their possible re-employment, if not within that company's various branches, then somewhere else. They will have to look at retraining and things of that nature.

I share the view that it would be superior to have that provision mandatory rather than at the discretion of the minister. There is no guarantee we will have a minister who has the same degree of compassion for the work force that the present minister perhaps has. Other members from both opposition parties have indicated that it is our view this minister is in a minority in the cabinet, although we are not privy to its conversations. He has to use great persuasive powers or threats to get through the legislation he feels is necessary.

Interjection.

Mr. Bradley: The member for Renfrew North (Mr. Conway) indicates we might have the former minister return. At that time we may not have the same degree of interest in this legislation. I will not say that. I will leave that to the member for Renfrew North.

The provision that requires that employers who terminate the employment of employees without notice must continue to pay contributions to benefit plans during the period for which notice should have been given, I also believe is a strengthening of the position of working people in the province.

It is not everything members of the trade union movement want. They are speaking on behalf of employees, which is their job, their responsibility and their desire. It may not meet all the desired objectives of the trade union movement or of some of us in the opposition, but it is a step in the right direction.

It is hard sometimes to accept half a loaf, or in this case perhaps a quarter or an eighth of a loaf, but it is preferable to leaving people without the coverage and legislation we feel is necessary. We reluctantly support this bill. The easiest thing for us to do would be to condemn the bill. We know it is going to pass anyway. There is a majority on the other side of the House.

It would be easy for us in the official opposition to say: "It is a terrible bill. It does not go far enough. You people take responsibility for passing it, and we will simply oppose it on the grounds that it does not meet the principles some of us on this side stand for."

We have decided to adopt the other course of action. I am hopeful the members of the governing party will take into consideration some of the amendments put forward by members of this party, amendments we hope will strengthen and improve the bill and at the same time provide the basic protection the minister has proposed in his legislation.

5:40 p.m.

It is unfortunate that the minister was unable to secure from his cabinet colleagues earlier some kind of commitment for progressive legislation in regard to severance pay which would have helped the people in my constituency.

I heard the member for Brantford (Mr. Gillies) speak of a personal experience. His father was involved with a company for some 12 years and then his employment was terminated. I had a similar situation in my family, with my father being involved with Smith and Travers in Sudbury, which was taken over by International Nickel and eventually closed down. Probably that was one of the reasons they were able to secure a good labour contract. This was in 1957, and at the age of 49, after 22 years of service, I think he was left with a couple of weeks' severance pay. International Nickel showed its great benevolence.

That is why legislation of this kind is required. I regret that it did not affect companies in those days. I regret the people at Columbus McKinnon were left unprotected because this government chose not to act earlier. My having that regret is not sufficient justification to speak in this Legislature in a way that would indicate complete opposition to everything included in this bill.

I appeal to members of the government to consider our amendments. Let us have a strengthened bill, a bill that all of us in this province can be proud of in the years ahead. If the government is not prepared to move now, let us hope it will move later to further protect employees in this province.

We hope the government will enact many of the other recommendations found in the select committee report, which received some support from members of all parties at various times.

Mr. Samis: Mr. Speaker, I realize the minister is anxious to reply to some of the comments made, but I want to put on the record that for me it is somewhat bitterly ironic to vote on this bill on second reading, because about an hour and a half ago I found out that a plant in my riding is on the verge of closing next month. It has only 40 employees, down from 80; so when I go back this weekend, after this vote, I will have to inform those employees that they will not be eligible for severance pay under the provisions of this bill.

Hon. Mr. Elgie: Mr. Speaker, I am sure members will accept the fact that I have spoken on this matter on two or three occasions now and my views and those of the government are

pretty well known; so I will not go over the details of the bill in any precise way because we can do that during clause-by-clause debate.

I do think the remarks of the member for Quinte (Mr. O'Neil) had a great degree of relevance, as did the remarks of most members. What he said was that there are many in his party who think the bill goes too far and many who think it does not go far enough. I suggest that is the way the majority of society will feel. In the middle, there will be a large segment—I call it the majority of society—who will say it is a thoughtful response to the problems that are legitimately before this House and legitimately concern members of this House.

If one is honest about it and looks back at the debate on the select committee report—or nonreport, as the member for Windsor-Riverside (Mr. Cooke) called it—the speeches during that evening were very interesting, because they all started off with discussions about layoffs in plant closure situations. Surely that is what we were addressing our minds to last fall and what led to this piece of legislation.

5:50 p.m.

There can be all sorts of speculation about who supports this bill and whether my colleagues support it, but that is idle speculation. I know of no one who is more committed to the principles of this bill than the Premier—

Mr. Martel: That is why he bailed out on you on opening day.

Hon. Mr. Elgie: I understand the record will have to show the members' rhetoric. The member for Brantford (Mr. Gillies), who spoke eloquently on this issue, spoke on behalf of the true wishes of this party. Our wishes are expressed very clearly in this legislation. It is progressive, practical legislation that puts us in the forefront in North America.

Some hon. members: Oh, come on!

Hon. Mr. Elgie: Members opposite can say "Come on" or "Look out" or that there are balloons on the street they have not seen, but they know and I know that the combination of things that have been introduced with regard to the plant closure situation is the most progressive in North America. That is the reality.

They can talk about individual situations that will not be covered. But, in doing that, they do not face the facts. For example, they do not face the fact that, in plants of 200 employees or more, 50 per cent of employees already have collective agreement coverage with regard to severance pay. They do not take into account

the fact that, as a general rule, companies voluntarily offer this package or better in terms of severance pay, and usually go much further.

Although someone speaks very wisely, supposedly, about the companies that have closed this year, I have given the facts on that to this House. I have told members that in the majority of those closures there was either voluntary severance pay, negotiated severance pay or an offer of employment by that employer. Most of the balance are in bankruptcy situations.

The facts are not as bad as members opposite are trying to portray them. The reality is that this legislation addresses legitimate problems and it is progressive, whether they like to accept it or not.

My friend the member for Rainy River (Mr. T. P. Reid), who I think is a Liberal—or is it something else? He calls himself Liberal-Labour—wanted to know if this legislation would apply to the pulp and paper plants. I do not know the answer to that. It will depend on whether there is a partial closure involved. Of course, that cannot be determined until final decisions are made with regard to any portions of the business.

My friend the member for Oakwood (Mr. Grande) talked about the management employee from the Royal Ontario Museum who obtained a large settlement on an unjust dismissal situation. That is not what we are talking about. I hate to trouble him with it, but everyone has a common-law right to sue for unjust dismissal. What we are talking about here is plant closure. That is a little different situation.

Anyway, in summary, rhetoric aside, I think there is a general feeling that the government is moving in the right direction—for some not far enough and for others too far. I think that reflects the kind of progressive, thoughtful, practical government we are able to provide. I commend this bill to the House.

6:01 p.m.

The House divided on Hon. Mr. Elgie's motion for second reading of Bill 95, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Boudria, Bradley, Brandt, Breithaupt, Conway, Cousens, Cunningham, Cureatz, Davis, Dean, Drea, Eaton, Edighoffer, Elgie, Elston, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Haggerty, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones;

Kells, Kennedy, Kerr, Kerrio, Kolyn, Lane,

Leluk, MacQuarrie, McCaffrey, McEwen, McGuigan, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Newman, Nixon, Norton, Piché, Pollock, Pope, Ramsay, Reid, T. P.;

Robinson, Rotenberg, Runciman, Ruston, Scrivener, Sheppard, Shymko, Smith, Stephenson, B. M., Sterling, Stevenson, K. R., Sweeney, Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Worton, Wrye, Yakabuski.

Nays

Breaugh, Bryden, Cassidy, Charlton, Cooke, Grande, Johnston, R. F., Laughren, MacDonald, Mackenzie, Martel, McClellan, Philip, Renwick, Samis, Wildman.

Ayes 84; nays 16.

Ordered for committee of the whole House.

ROYAL ASSENT

Mr. Speaker: I beg to inform the House that in the name of Her Majesty the Queen, the Honourable the Lieutenant Governor has been pleased to assent to certain bills in his chambers.

Clerk of the House: The following are the titles of the bills to which His Honour has assented:

Bill 20, An Act to amend The Personal Property Security Act;

Bill 48, An Act respecting Massey-Ferguson Limited;

Bill 76, An Act to amend The Tobacco Tax Act;

Bill 81, An Act to amend The Racetracks Tax Act;

Bill 103, An Act to amend The Toronto Islands Act, 1980;

Bill 120, An Act respecting Certain Potential Assets of Co-operative Health Services of Ontario;

Bill Pr1, An Act to revive Mildove Mining Company Limited;

Bill Pr2, An Act respecting the City of Toronto;

Bill Pr3, An Act to revive Sioux Petroleums Limited;

Bill Pr5, An Act to revive Stacey's Custom Upholstery Limited.

Bill Pr6, An Act respecting the County of Lambton;

Bill Pr10, An Act to incorporate London Baptist Bible College and London Baptist Seminary.

The House adjourned at 6:08 p.m.

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Ontario, *LEGISLATIVE ASSEMBLY*

No. 51

Legislature of Ontario Debates

Official Report (Hansard)

First Session, Thirty-Second Parliament

Thursday, June 18, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 18, 1981

The House met at 2:02 p.m.

Prayers.

SPECIAL WARRANTS

Mr. Peterson: Mr. Speaker, I rise on a point of privilege that I deem very serious and that I would like to draw to your attention. In my judgement, it amounts to a very serious abuse of the powers of the executive of this House and is an affront to all the privileges and responsibilities of the members.

I refer to the succession of orders in council that we have had and the events subsequent to March 10, when the government, through an order in council, issued special warrants in the amount of \$4,717,231,600.

You will recall, Mr. Speaker, that the House first came back on April 21. It is my view that the government should have moved immediately to regularize those special warrants. You will also recall that on April 23 we had public knowledge when the Chairman of the Management Board of Cabinet (Mr. McCague) filed in this House a copy of those special warrants.

As the Chairman of Management Board stated, and as you know, sir, a special warrant is an order under section 4 of the Management Board of Cabinet Act authorizing expenditures of an urgent nature for which no appropriation exists. I stress to you, sir, that they are to be of an urgent nature for which no appropriation exists.

The minister went on in the statement to say: "Normally these payments would be made upon a motion of interim supply being adopted by the Legislature."

Subsequent to this, about the middle of June, you will recall that a motion for interim supply was tabled by the Treasurer (Mr. F. S. Miller), almost two months after the House had returned. I draw your attention, sir, to section 4 of the Management Board of Cabinet Act, which was the authorizing section for those particular special warrants. It says:

"Where an accident happens to any public work or building when the Legislature is not in session and an expenditure for the repair or renewal thereof is urgently required, or where any other matter arises when the Legislature is not in session in respect of which an expenditure

not foreseen or provided for by the Legislature is urgently required for the public good . . ."

I will not go on and read the rest of that section, but it says again at the end that the expenditure must be "urgently required." In that legislation, which is about 100 years old, it is clearly contemplated that this would be done only in emergencies. I submit it is also clearly contemplated that this would be regularized immediately upon the return of the House.

I am not questioning the authority of the government to vote itself some money or to give itself some money by way of special warrant on March 10 when the House was not sitting. That is not the issue. But we did come back on April 22, and interim supply could have been brought forward at that time.

This matter has been a serious issue over a number of years. I want to quote some of the authorities who I think support my point of view that this has been a gross abuse of executive privilege and is becoming government by order in council when one of the most sacred rights of members of parliament is to pass upon the expenditures of the executive branch.

I quote from *The Public Purse* by Norman Ward, the admitted authority on these matters. He says this about public finance:

"Underlying all the others are two principles, both of which have to be supported by a number of subsidiary principles and practices:

"(i) The executive should have no income which is not granted to it, or otherwise sanctioned, by Parliament.

"(ii) The executive should make no expenditures except those approved by Parliament, in ways approved by Parliament."

That is one of the most sacred and time-honoured functions of independent members of parliament in this House on all sides, to have all those expenditures approved by the government.

I take you, Mr. Speaker, to a discussion of this very issue in 1890 when, speaking in the debate about the Short Line Railway, which involved a similar abuse of a special warrant to finance the building of a railway, Mr. Wilfrid Laurier said:

"I charge, moreover, that the government had not had the slightest excuse whatever for

advising His Excellency to sign special warrants to cover any part of that expenditure.”

He said: “What is the value of Parliament sitting and expressing an opinion upon any public subject, if it is within the power of the government to discard the authority of Parliament and to do precisely what the Legislature had not sanctioned their doing?”

In the same debate Sir Richard Cartwright, speaking on that same abuse of the warrants, said:

“I cannot put the construction which the honourable gentleman does on the use of the Governor General’s warrant. These warrants are only to be used for special purposes, and the act distinctly declares for what they may be used . . . Then the Governor General’s warrant”—which is similar in this situation—“may issue. I say it is a most gross abuse of that power which is granted for such emergencies in regard to matters which could not reasonably be foreseen or provided for, to ask His Excellency to issue a warrant taking a large sum of money from the public chest for a purpose such as this. I say that the minister who advised the issue of that warrant committed a fraud on His Excellency, and made His Excellency a tool to perpetrate a gross wrong and to offer a gross affront to the authority of Parliament.”

I relate to you, Mr. Speaker, that the amount of the special warrant issued earlier this year was \$4.7 billion, or almost a quarter of the year’s expenditure.

I call to the attention of the House the speech of George Foster who was the Conservative critic in 1896. In *The Public Purse* it says he held that “warrants could legally be used only to provide for unforeseen but necessary expenditures, whereas the expenses of operating the government of Canada for 1896-7 had not merely been foreseen but planned for in detail, in the very estimates which the House had refused to pass earlier in 1896.”

My point is that the money which the government passed by special warrant was not for unforeseen circumstances. It was an abuse of the system for an untold and unseemly period of time, for a three-month period.

I take you, Mr. Speaker, to a debate in the Nova Scotia House of Assembly in 1892. Mr. W. S. Fielding, the then Premier, said: “The drawing of that (special) warrant would be as much a violation of the control of Parliament as anything else can be. If the desire is to have every

dollar that is expended voted by this House, I have to say that is not the system that prevails anywhere.”

2:10 p.m.

The author of the book from which that quotation is taken says this: “Like the Dominion practice, the provincial special warrants are only issued when parliament is not in session. The objections of their employment are that they do away with all effective control of government expenditures and have resulted in Canadian provincial budgets affording no correct criterion, like those of other countries, of what the public expenditures will be in any given year.”

I cite those authorities, Mr. Speaker, so that you will understand—and I know that after you investigate it you will—what a very serious abuse of the procedure this is. The Treasurer brought in an interim supply motion in the middle of June, backdated to June 1; and it is quite clear to you, sir, I am sure, that by abusing special warrants and interim supply they can effectively manipulate the expenditures of the government without any of the regularization that should go on by this parliament and through its various committees.

I quote again from *The Public Purse* by Norman Ward, at page 252:

“Like supplementary estimates, interim supply and Governor General’s warrants (both of which are explained in preceding chapters) could if improperly used almost destroy parliamentary control. Just as a government could evade unwelcome scrutiny by asking for supplementaries embodying important proposals at a time when Parliament was preoccupied with some other weighty matter, or during the hot humid summer days when members are anxious to get away (and both of these events have been known to occur), so a government could time its request for interim supply in such a manner that the House of Commons would have considerable practical difficulty in refusing. Sir Robert Borden, while Prime Minister, informed the House of one revealing experience he had had: ‘I should like to say that I myself tried once, in opposition, under what I thought were somewhat serious circumstances, the policy of refusing any vote on account [that is, interim supply], and before 10 days were over, I got very tired of my position, because I heard, I think, from every province and from nearly every community in Canada on the subject.’”

Upon investigation I think the sequence of events is a serious irregularity. I believe this

government should have moved immediately for interim supply, rather than going by way of special warrant upon the return of this House on April 22.

I ask you, Mr. Speaker, to use your authority as the presiding officer of this House, to investigate this matter, to report back at your very earliest opportunity and to make sure this never happens again.

Mr. Renwick: Mr. Speaker, on the point of privilege: May I compliment my friend the member for London Centre for drawing this matter to the attention of the House. I simply want to associate ourselves with the concern expressed by the member for London Centre and to require not simply your considered decision on this matter but a prompt and immediate reply from the government with respect to this breach of the rights of the members of this assembly.

Hon. Mr. Wells: Mr. Speaker, first of all I want to dissociate myself completely from the last remarks, because I submit this is not a breach in the sense in which he tries to portray it, and it is not something that has suddenly come to light and to the attention of members of this House today or in the last few days.

The history of the matter must be sketched. First of all, there was an election in this province on March 19, and to the best of my knowledge I cannot recall, certainly in the time since I have been an adult, an election coming at a time when the calling of the House likely would be after the beginning of a new fiscal year.

In other words, we found ourselves at that time the government of this province, although a government in the middle of an election with the prospect that the Legislature of this province, which must vote interim supply and final supply, likely would not be meeting until after the time the old estimates would run out after March 31. So it was necessary for a perfectly legal procedure to be devised to ensure that the public servants of this province would be paid and that the municipalities and school boards and children's aid societies and so forth would receive—

Mr. Foulds: That is not the problem.

Hon. Mr. Wells: I just underline to members that it was—

Mr. Speaker: Order.

Mr. Mackenzie: Don't pretend.

Hon. Mr. Wells: I am not pretending. I am telling members exactly what that money is for. The money in special warrants was money that

would flow to municipalities, school boards, children's aid societies, welfare recipients and the list goes on and on.

Mr. Cassidy: Once we were back here we should have approved it.

Mr. Speaker: Order.

Hon. Mr. Wells: It would be completely unthinkable that we should allow any disruption in the flow of those funds, be they for the salaries in the public service or for any of these other public endeavours to which we transfer funds.

Mr. Peterson: That is not the point. That is not the point at all.

Hon. Mr. Wells: The point is that on the advice of the financial experts and lawyers of this government it was quite proper to use special warrants to be sure that money would be available. That process was fully looked into. The cabinet of this province, the executive council, was fully aware of it and took the necessary action to allow that to happen. It was decided that the best way to handle it would be to have special warrants for the first three months of the fiscal year, a period that normally would be covered by interim supply if this House were sitting.

I do not have the records here in front of me, but I can tell the honourable member that if he had talked to the member sitting on his immediate right he might have known a little more about this, because we discussed this at House leaders' meetings several times. In fact, I indicated to various House leaders, whips and so forth the uniqueness and perhaps difficulty some people would have of understanding the estimates this year, because when the estimates were printed they would have within them all the facts about the special warrant.

If the member has read any of the estimates he will see that every estimate has at the bottom of it, "less special warrant." Therefore, the amount of money to be voted by this House is the amount less the special warrant. If anybody is suggesting that this procedure was somehow to be hidden from view, it certainly can be substantiated that this is not the case, because here it is; it is in every one of the estimates. The procedure was discussed by many people at the time.

Hon. Mr. Davis: David, you are off base again.

Mr. Speaker: Order.

Hon. Mr. Wells: If anyone had any problem with this particular procedure, the time to have

raised it was weeks ago when these estimates were tabled, and it was made very clear what the special warrant was.

I want to also say that we discussed at various times whether a motion should be put in this House, not the usual interim supply motion, but a motion that this House take note of the fact that special warrants were providing for the first three months of the supply to all these various services in this province.

My recollection is that most of the people at our meetings felt that we did not need to put that particular motion. The special warrants procedure was a legal procedure, the money was legally being paid out, it was being noted in the estimates, and the amount of the special warrant could be debated along with the estimates although it was not really a part of the estimate amount.

I must say that my preference, and the preference of the government, would have been to put a motion, but no one seemed to be very concerned that a motion needed to be put that this House take note of the special warrants, which were passed legally and which provided for the payment of that money.

I find it a little disturbing that the member should get up here today in a rather pious way and suggest that something was being hidden from the public's eye in some procedure that is not legal. I will tell him that the procedure is legal. It has been publicly known ever since this House came back. It has allowed for the flowing of this money to the public servants of this province and all those other people who get transfer payments, and it is fully detailed in the estimates which the members will have ample opportunity to debate now and in the fall. They can also debate interim supply in the interim supply motion.

Mr. Peterson: Why is the interim supply backdated? If it is so perfect, why are you backdating it to June 1?

Hon. Mr. Wells: Let me tell the member that we backdated the interim supply motion to June 1 because in some instances the special warrants will not supply enough money for certain ministries throughout until June 31. In a very proper way we are suggesting that interim supply must be now voted, because those ministries will not have money at some point in time.

2:20 p.m.

Mr. Nixon: Yes. But have they been spending money for 18 days without authority?

Hon. Mr. Wells: No, they have not. If they had, we would have told the House, and we would be debating to get that interim supply through. We had hoped that interim supply would be—

Mr. Nixon: What are you backdating it for?

Mr. Smith: Why backdate it if they have not spent it?

Mr. Speaker: Order.

Hon. Mr. Wells: I have explained why we backdated it, and that would be a very logical thing to debate during the interim supply motion, which it was my understanding we were going to pass the other night but which was not passed, and which members will have an opportunity to consider again tonight.

I am sure that any of these procedures can be fully explained during the interim supply motion and during the estimates. I submit to the House that nothing irregular has gone on. Nothing illegal has happened. Everything concerning the special warrants has been made fully public to all the members of this House.

Mr. Speaker: Thank you, Mr. Peterson. Your concern has been noted and obviously is going to be replied to.

HOSPITAL EMERGENCY SERVICES

Mr. McClellan: Mr. Speaker, I rise on a separate point of privilege, briefly, to clarify the record.

On Monday of this week, I asked the Minister of Health (Mr. Timbrell) a question that had to do with whether problems and solutions identified at the Toronto East General Hospital emergency department may have general application in other hospitals and other emergency departments. In his answer the Minister of Health said: "Mount Sinai Hospital down the street here does not have an emergency department."

I want to point out to the minister not only that Mount Sinai Hospital does have an emergency department but also that last week there were seven patients in that emergency department for two days because there were no other beds available in the hospital. There were no other beds available because at any given time in Mount Sinai Hospital 30 to 45 patients are in active treatment beds when they should be in chronic care beds.

Mr. Speaker: Order, please.

Hon. Mr. Timbrell: Mr. Speaker, on the point of order: I am glad the honourable member raised it, because I was going to. In the course of

the discussion, I was thinking of the old Mount Sinai Hospital, which is now chronic, and the emergency department has been closed.

For the member's information, I had the executive director and the chairman of Mount Sinai Hospital in this morning, and we were discussing, among other things, this very point. Their proposal for the future is not dissimilar to many other hospitals: not more beds, but an expansion of ambulatory care programs to relieve these kinds of pressures.

Mr. Speaker: That really was not a point of privilege.

RENTAL HOUSING

Mr. Ruprecht: On a point of privilege, Mr. Speaker: Last week, you will remember that the Minister of Housing (Mr. Bennett) promised this House he would produce and make public the number of units that were fully approved under the Ontario rental construction loan program within the municipality of Metropolitan Toronto.

Some of us on the back benches here are new members, but we would like to believe in the old system whereby when a minister of the crown promises he will deliver exact figures, as he says in Hansard, then he will do that.

You also know, Mr. Speaker, that this government has been accused by my own leader and by other people of stonewalling and covering up. I want to raise this point of privilege with the minister and ask him to please produce the figures in regard to this rental construction loan program within the municipality of Metropolitan Toronto. If he does not have them, he can at least stand up and be honest with the citizens of this area and of Toronto, where there is a housing crisis, and tell us—

Interjections.

Mr. Speaker: Order.

[Later]

Mr. Ruprecht: Mr. Speaker, on a point of personal privilege: Can I receive an answer from the other side of the House?

Mr. Speaker: Order. You may ask that more properly during question period.

PARLIAMENTARY INTERNS

Mr. Speaker: Before proceeding with the routine proceedings, I want to read into the record the names of the visiting parliamentary interns from the University of Michigan in Dearborn, who have been with us for the past

several weeks. They are leaving tomorrow, and I am sure we are all very pleased to have had them with us. I sincerely hope their visit here has been of benefit to them.

The list is as follows: Victoria Altinok, Thomas Biggs, Paul Bisaro, Nancy Burke, Nancy Conzelman, John D'Alessandro, Barbara Fratangelo, Michael Grueber, Michael Gruskin, Julia Krohta, Calvin Matle, Carol Mitri, Garry O'Leary, Linda Plopan, Beverly Rende, Lisa Schwartz, Gretchen Stallworth, Marianne Swenson and Cynthia Vella.

STATEMENTS BY THE MINISTRY

LEEDS AND GRENVILLE COUNTY BOARD OF EDUCATION AND TEACHERS DISPUTE BILL

Hon. Miss Stephenson: Mr. Speaker, later this afternoon, I will introduce a bill entitled An Act respecting the Leeds and Grenville County Board of Education and Teachers Dispute.

Because of the nature of the bill, I wish at this time to read into the record the report of the Education Relations Commission, dated June 11, 1981, and delivered to me by the chairman, Professor Bryan Downie, on the afternoon of June 12, 1981.

The report of the commission of June 11 reads as follows:

"Dear Dr. Stephenson:

"I would like to report to you on the current status of negotiations and the secondary school teachers' strike in Leeds and Grenville.

"The Education Relations Commission met on Thursday, June 11, 1981, to examine the status of negotiations between the Leeds and Grenville Board of Education and the branch affiliate members of the OSSTF, District 37. The commission also considered the matter of whether the strike places in jeopardy the successful completion of courses of study in Leeds and Grenville secondary schools.

"In its deliberations the commission examined a report submitted to it by the third party appointed to act as mediator in the dispute. We were also aided by discussions with ERC staff and by background information related to the sanction.

"It is clear from all of the evidence we have at our disposal that there is a distinct danger the dispute will not settle before the end of the 1980-81 school year and, more importantly, the dispute very well may not end before classes are scheduled to resume in September.

"Despite this danger, there is an absence of

convincing evidence that jeopardy to courses of study exists at this time. As of this date, there have been 25 school days lost due to the strike and by the end of the school year, 36 school days will have been lost if the dispute is not settled. This, of course, is serious. Some of the 36 school days, however, are noninstructional days or final examination days. Further, in our review of the situation, we have considered the fact that students affected by the strike will receive their final marks and that universities and community colleges in Ontario apparently will accept students into their programs on this basis. For this, and other reasons, it would be inappropriate for us to declare jeopardy at this moment."

Mr. Mancini: The strike was allowed to go on for weeks and weeks and people didn't do a damned thing. You let that strike go on in Essex for weeks and weeks and didn't do a thing.

Mr. Speaker: Order. Proceed, Miss Stephenson.

Hon. Miss Stephenson: Mr. Speaker, I remind the honourable members that I am reading the communication sent by the Education Relations Commission.

Mr. Mancini: We demand action from your government. Just because a Tory back-bencher rises and complains, you are willing to change your policy. There is something very strange.

Mr. Speaker: Order! I don't want to be accused of sermonizing or lecturing, but when I stand it shall be the custom for the rest of the members to take their seats. Miss Stephenson.

Hon. Miss Stephenson: "Nevertheless, the commission has consistently followed the principle that every dispute has to be examined and treated on its own merits. In this particular case, there are some very important facts which cause us concern. The state of negotiations seems to be deteriorating; the parties are, if not frozen, exceedingly rigid in their positions; and, as noted, there is a real possibility that the dispute will not end in anything approaching a reasonable time period. That is, our concern relates to the unique aspects of this particular sanction, viz. the possible continuation of the strike into a new school year after the loss of a considerable number of school days in the current school year and without any indication of a future settlement point.

2:30 p.m.

"With the impending adjournment of the Legislature, this situation places the commis-

sion in a serious dilemma. Since its inception, the commission has consistently held to the position that voluntary resolution by the parties in a dispute is the preferred path to finality in teacher-board collective bargaining. At the same time, we take seriously our duty under section 61(1)(h) of the act concerning jeopardy to students' courses of study. While in our opinion there is an absence of compelling evidence that jeopardy exists at this precise point, we feel that the government should be in a position to respond without delay should it become clear to the ERC that the continuation of the sanction will place in jeopardy the successful completion of courses of study by students affected by the strike.

"Therefore, in light of the above, the commission recommends you consider the enactment of legislation before the adjournment of the Legislature to terminate the secondary school strike in Leeds and Grenville, and that the proclamation of legislation by the Lieutenant Governor in Council be deferred at least until such time as an advisement under section 61(1)(h) is tendered by the commission. This will allow the parties to negotiate, while at the same time ensuring the public that action will be taken on jeopardy within a reasonable period of time. As well, the commission will continue to provide third party assistance to the parties in Leeds and Grenville and will continue to monitor the situation.

"The above takes into account the sometimes conflicting but equally legitimate concerns of the commission and of Bill 100: i.e., on the one hand, the voluntary resolution of collective bargaining disputes and, on the other, the protection of courses of study of students affected by a strike or lockout.

"It is the hope of the commission that a negotiated settlement will emerge in Leeds and Grenville which will negate the need for a proclamation. To facilitate that outcome, we recommend you consider legislation that includes final offer selection as the means of ultimate dispute resolution.

"Yours truly

"Bryan M. Downie

"Education Relations Commission."

The bill has been drafted to meet the requests of the Education Relations Commission, and I am optimistic that it will assist the parties to resolve the current dispute and to allow the educational process to resume.

ORAL QUESTIONS

ASTRA/RE-MOR

Mr. Smith: Mr. Speaker, as a courtesy, I sent a copy of a letter about which I wish to ask a question to the Minister of Consumer and Commercial Relations. I see him returning to the House now.

I want to direct a question to the Minister of Consumer and Commercial Relations concerning a letter, a copy of which I have sent over to him. The letter is dated July 23, 1979. It is a letter addressed to Mr. H. Roach, the chief examiner for his ministry in the office of the registrar of trust companies. The letter deals with a client by the name of Mr. Henry Ramsey, who was taken in by Astra Trust, whereupon this person put money into Astra Trust and had it shifted into a certain Re-Mor Investment Management Corporation.

This letter makes a number of very serious allegations and provides a basis for these allegations, including the very serious allegation that the client, thinking he was doing business with Astra, had his money put into a Re-Mor mortgage.

I want to quote specifically: "It would appear that Astra Trust Company has merely been using the legal and accounting service promises as a come-on to attract funds for mortgage investments. Re-Mor Investment Management was represented to the Ramseys as being Astra Trust Mortgage Company, or a division of Astra Trust Company, by John Bentz at Astra's Burlington office."

Given that this letter was sent to the ministry after an oral conversation in July 1979, and given that the company was not shut down until almost a year later, and the predecessor of this minister has stated the problem was that Astra was shifting money into Re-Mor but the government acted on Re-Mor as soon as it found out about it, how can the minister continue to tell us that kind of story when his ministry was told on July 23, 1979, that Astra Trust was being used as a front by Re-Mor, and yet Re-Mor continued to operate under its mortgage licence and was not shut down?

Hon. Mr. Walker: Mr. Speaker, I think there has been some confusion in the Re-Mor name here. This was under a division of the company known as Via Mare Investments. That was a mortgage brokerage company operated by Mr. Luciani from St. Catharines, I believe, and Welland, and in that particular case Via Mare had under it something called a division, Re-Mor

Investment Management.

It was a long time after—several months after this July letter—that Re-Mor Investment Company Limited was incorporated by Montemurro and ultimately became the one that provided the vehicle through which so many of these losses occurred. I would offer that as one comment. We must not confuse the two companies. I would ask the member to go back and check and make sure that he is not talking about totally separated relationships.

Secondly, we do have this letter, and he has been very kind to send me over a letter dated July 23, 1979, from the law firm of Bowlby, Luchak, Martino, Thoman and Lofchik in Hamilton Centre, by about the tenth name on the list, one Robert F. McGlynn, who is the solicitor who identified himself, apparently, in a telephone call making a complaint about this particular streaming operation. McGlynn actually made a telephone call, and as a result of that Mr. Roach, the chief examiner, said, "Put that into writing so that we have something on which we can look into this matter to see if there is any substance to it."

Just coincident with the time that Roach received the letter in his office, at that very moment, almost on the day it arrived—the member will be impressed to realize this—a telephone call came from McGlynn, the very lawyer who sent the letter, I am told, saying: "Please disregard this letter. In fact, it has no substance; the whole matter has been resolved." To use his words, I gather he said: "It has all been fixed up and it has all been corrected. Do not do anything about the letter that I have sent you concerning this Astra Trust Company."

Mr. Smith: The explanation is very simple, inasmuch as after Mr. Montemurro had refused repeated attempts to obtain information on behalf of Mr. Ramsey, which are outlined in the letter by Mr. McGlynn—since, as Mr. McGlynn put in the letter, the Ramseys find themselves with an \$80,000 investment and life savings with a lender and borrower of whom they know nothing, for security that may or may not be adequate, and supported by the guarantee of a company that may be totally inadequate to cover its obligations in the event of default—and since it goes on and says that this company is acting as a front and that after repeatedly attempting to go to Mr. Montemurro, who was avoiding their calls, when he was finally confronted with this letter and information that it was going forward to the Ontario government he at that point took out a cheque book and said, "All right, here is the money back—but

only on condition that you phone the ministry and say that this matter with Ramsey has been settled," it surely is not surprising to the minister that the lawyer would then say, "Since my clients finally have their money back I am no longer involved in this."

2:40 p.m.

Given that the detailed allegations in this letter certainly require somebody to look into them, ask the people involved exactly what happened and investigate the front that was being run by Astra Trust for its mortgage arm, in this instance Re-Mor Investment Management, surely the government should have acted then and there to do a proper investigation of these exceedingly serious allegations and not wait about a year, as it did? What explanation is there for the government totally disregarding the letter and not looking into the substance of the serious allegations that were made?

Hon. Mr. Walker: Mr. Speaker, I suppose the Leader of the Opposition has more of an understanding of what Mr. Montemurro said than I have. I do not profess to suggest otherwise. All I can say is, on the basis of a letter that was received setting out a number of allegations, and then receiving a call from the individual who actually wrote the letter, followed up by a letter from him—a copy of which I would be glad to provide the member if we are able to locate it—saying, "Please disregard everything we have said," would it not be reasonable to do that?

Mr. Swart: Supplementary, Mr. Speaker: Shouldn't this cause even the minister to realize that there may be many investors out there who have been treated in this manner by Astra, Re-Mor and Mr. Montemurro, and that it would be wise to have a committee of this Legislature hear evidence from those investors as well as delving into the operation of the securities commission and the registrar of mortgage brokers and other registrars? Wouldn't that cause the minister to think this would be desirable if we are interested in getting to the bottom of this issue?

Hon. Mr. Walker: Mr. Speaker, I fail to see the question.

Mr. Smith: Given that the letter outlines in great detail the practices that took place at Astra Trust and Re-Mor Investment Management, that it outlines over four pages all the ways in which these people were taken in and all the ways in which they were abusing the trust people were putting into that company, does the

minister not think it is a dereliction of duty on the part of his officers to simply throw the letter away and ignore it all on the basis of a phone call saying everything is now okay?

Is it not like somebody writing a detailed letter saying exactly how a bank robbery has taken place, detailing who did it, when they did it, the type of pistol used, how much money was taken, precisely the time of day, and then calling up later and saying: "Pay no attention to that. We got the money back," and them saying, "Oh, that's fine, we just won't bother to look into it at all"? Does the minister not realize his own officials were told about this serious matter and did not act and that only a royal commission is going to get to the bottom of how the government operated in the matter of Astra/Re-Mor?

Hon. Mr. Walker: I will be glad when Kingston is over. I would have to say to the Leader of the Opposition, when we get a—

Hon. Mr. Norton: I do not approve of that comment.

Hon. Mr. Walker: The member for Kingston and the Islands says he does not approve of that comment and I can see why.

When we receive a letter saying, "Disregard the letter; everything has been resolved and everything has been fixed up in respect of the complaint that was registered," I repeat the question the member did not bother to answer—I know it is not his duty to answer questions; he never answers questions—does he not realize it is reasonable to assume that when we get a letter from the person who wrote the first letter saying to disregard it, we can reasonably do that? Isn't that a reasonable thing? Of course it is. I do not know how the member can come to some of the conclusions he comes to. I just cannot understand that.

TORONTO EAST GENERAL HOSPITAL

Mr. Smith: Mr. Speaker, a question for the Minister of Health. I wonder if the minister would share with us some thoughts that follow upon this Toronto East General Hospital matter.

Given that the minister has said he is quite confident there is no other hospital in Ontario to which the same problems might apply and the same solutions be necessary as occurred in the Toronto East General, and given the fact the investigation into the Toronto East General was actually instigated at the request of that hospital following certain allegations in the public press, and given that there exists a certain accredita-

tion process which presumably did not signal to the ministry any problem in Toronto East General before this investigation was requested, how can the minister say with any confidence there are no other hospitals in Ontario that might have the same answers to these questions asked at the Toronto East General, especially given that the Ontario Hospital Association's president, Merritt Henderson, said even his own hospital could possibly have exactly the same complaints if someone came in and asked the same questions?

Hon. Mr. Timbrell: Mr Speaker, I think the extent of the problems identified by the trio of inspectors with the assistance of auditors whom they engaged would indicate, as compared against the information we have from accreditation reports, annual reports and all the financial reports we have for all hospitals, that the problems with respect to the lack of written policies in regard to procedures in the hospital appear to be unique.

Mr. Smith: I am asking how the minister knows that?

Hon. Mr. Timbrell: If this is what the honourable Leader of the Opposition is suggesting, I do not envisage that to be a problem, based on the information we have, as I started to recite, such as accreditation reports, monthly cash flow reports, annual reports, settlement reports and the like. Most of the problems, as the member will recall—I am sure he has read the whole report—relate to the lack of clearly stated, documented and available policies in a number of areas, and some practices that would not come out and have not come out in the reports to date.

Mr. Smith: I think the minister has made the point I am trying to make. Given that the minister said the accreditation system apparently was insufficient, along with the monthly cash flow reports and the settlement reports, to draw his attention to problems at the Toronto East General, and that it was only by a kind of fluke that the matter came out in the press and he was asked to appoint people to do a more detailed study so that the matter came to light at the Toronto East General, does the minister not recognize he is saying the accreditation system, the monthly cash flow report system and so on are simply inadequate for the purposes of pointing out even the very serious problems that apparently existed at the Toronto East General?

Rather than assuring the people that every-

thing is fine elsewhere when he cannot possibly know that, he ought to present to this House a better accreditation system and tell us how he is going to improve the system so that problems like those at Toronto East General will not be missed again. If the problems were missed last time, then surely we need a better system—

Hon. Miss Stephenson: That shows total ignorance. The province does not run the accreditation system.

Mr. Speaker: Order.

Mr. Smith: I am having difficulty understanding why the Minister of Education finds this so difficult.

Hon. Miss Stephenson: I do not find it difficult. I just find the member's ignorance difficult to accept. He is an embarrassment.

Mr. Smith: If the problems were missed by the accreditation system last time, as the Minister of Health admits happened at the Toronto East General, surely the logical thing to do is to improve the accreditation system. Just to prove the point, will the minister please table the last two accreditation reports regarding Toronto East General Hospital?

Hon. Mr. Timbrell: First, the accreditation program is not run by the provincial government.

Mr. Smith: I understand that.

Hon. Mr. Timbrell: The accreditation program is a voluntary program run by an independent body known as the Canadian Council on Hospital Accreditation.

Mr. Smith: But you depend on it.

Hon. Mr. Timbrell: Only in part.

Mr. Smith: What else do you do?

Hon. Mr. Timbrell: I would be glad to tell the member if he would listen.

Mr. Smith: That is what I asked you the first time.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Sit back and enjoy it.
Interjections.

Hon. Mr. Timbrell: It is only part of the system and, as I said, it is a voluntary part of the system. The reports are provided—

Interjections.

Mr. Speaker: Order. Proceed, Mr. Timbrell.

Hon. Mr. Timbrell: In addition, we have the area teams of the ministry which regularly deal with the individual hospitals, reviewing their

cash flow statements and their annual reports and the like, which would not routinely turn up those kinds of things.

2:50 p.m.

For instance, the board of the Toronto East General Hospital had apparently ignored advice from its own auditors for three years in a row. It may well be that we are going to have to examine our own reporting procedures—not the accreditation necessarily, because that is an entirely different matter and I do not think that is the point—to try to identify if there are ways in which they can be improved to assist us in identifying sooner if there are difficulties in a particular hospital.

Mr. Foulds: Supplementary, Mr. Speaker: In view of the fact that the minister has appointed an inspector, or is going to appoint one, to look into matters at the McKellar General Hospital in Thunder Bay, does his sweeping statement indicate that he is prejudging the contents of the report of the inspectors in Thunder Bay? Would the minister tell us why he feels it necessary to take the step of appointing inspectors in that case? Obviously there have been a number of things brought to his attention that caused him to make this appointment. Further, the minister does not know exactly what is going on there.

Hon. Mr. Timbrell: Mr. Speaker, I think the honourable member asked me that question in a different context a week ago, before he knew the results of the inspection panel's findings at the Toronto East General Hospital. I do not think my answer is any different this week than it was last week.

There have been expressions of concern from a variety of quarters in the Thunder Bay community: from the local MPP, from private citizens, from medical staff, the union and so forth. For at least a year there has been an ongoing series of problems there that I thought could best be assisted by asking an inspector to carry out an inspection and provide a report. The intent of the process is to assist the board to get its house in order and to resolve whatever is at the root of the problem.

Mr. Smith: Would the minister give us some indication of when he will be tightening up his general reporting procedure, given that it missed the Toronto East General Hospital totally? Would he tell us when he is going to tighten it up and, instead of telling the people of Ontario that all other hospitals are fine, undertake to talk to Dr. Henderson of the Ontario Hospital Association, who says perhaps all other hospitals have

many of the same problems as Toronto East General Hospital? May we have some idea when the minister is going to tighten up these procedures rather than giving us assurances that are based on thin air?

Hon. Mr. Timbrell: We are constantly reviewing our procedures. For instance, in order to avoid some of the difficulties identified last year, the budget forms for 1981-82 told the hospitals they were to submit two budgets: phase one, roughly within the 10.1 per cent increase, to maintain existing programs; and phase two, to identify additional needs such as growth in population, utilization, whatever, for separate consideration. They were not to budget spending on additional staff, programs, equipment or whatever, without approval. That is a result of the experience in 1979 and 1980 leading up to it.

I cannot give the member a particular date, but I can tell him that after I met with representatives of the board of the Toronto East General Hospital on Monday—and I think I indicated to the House on Tuesday that I met with representatives of the Ontario Hospital Association, the president, the past president and the executive director—it was agreed there were a number of things in that report with which the OHA itself could be very helpful in working with its members to improve on the management and supervisory skills of administrators and boards of trustees. It is an ongoing process.

HOSPITAL BEDS

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Health about the cutbacks in hospital beds over the last couple of years.

On March 31, 1979, there were 38,050 acute treatment hospital beds in Ontario. In the two years that followed there have been 4,276 acute treatment hospital beds shut down in Ontario. Would the minister tell us where those 4,200 beds have gone? Would he not agree that the overcrowding of hospitals, patients being forced to stay on stretchers overnight, delays on emergency wards and the postponement of operations in hospitals are a direct result of that hatchet job by the Ministry of Health?

Hon. Mr. Timbrell: Mr. Speaker, let me take the member back to February 7, 1978. It was on that date I announced what the policy of the government was: We would move to reduce, over a period of at least three years, the number of beds in the entire health care system of

Ontario dedicated to acute care to 3.5 per 1,000 in southern Ontario and four per 1,000 in northern Ontario. At this time I indicated that what previously were the maxima for both chronic care beds and extended care or nursing home beds would from that point on become the minima. I would be glad to check the figures. I will not take the member's figures as gospel. I have learned—

Mr. McClellan: They are your figures.

Hon. Mr. Timbrell: Maybe they are; I do not recognize them. If they are my figures, the member is not telling the whole story, with respect. He is not talking about the many hospitals in the province where beds were converted from a designation of acute care to one of chronic care. In the process, proper chronic programs were established in a great many communities, and I would point to Wingham or Brockville a few days ago. In many communities—and he may have some recollection of this in his own part of the province, and the former Liberal critic I think remembers this—chronic care programs previously existed only in name. They were little more than custodial care in many communities. They were not geared to providing chronic rehabilitative care for the patient.

As a result of this process, the total number of beds dedicated to health care has gone up. There have been additions of chronic care beds; there have been additions of nursing home beds. There is no question we have fewer beds nominally dedicated to acute care, but to cite that one figure is not giving the whole picture. It is not talking about the conversions to chronic care, nor the additions of chronic care beds and of nursing home beds that are already in place and already committed to.

Mr. Cassidy: I am not sure what the minister thinks is the whole picture. Again and again we have brought evidence before the Legislature about hospitals where the acute treatment beds are filled to capacity, hospitals where patients sometimes have to stay for two or three nights in a row on stretchers because they cannot get in. We have evidence of that being found not only at the Toronto East General but in hospitals all across the province.

Would the minister explain why the people of the province are required to pay 15 per cent extra in their OHIP premiums with this year's budget when the Ministry of Health and the government are letting the quality of health care

in the province go down the drain by cutting the equivalent of 10 general hospitals in the last three years?

Hon. Mr. Timbrell: First, the member says he has brought forth evidence; he has not. He has brought allegations but never evidence. He has never done that. The facts do not support his allegations. They never have.

The member is insisting on what I think is not—I will not use the word dishonest, because I may be called to order. It is a questionable, misleading argument in that he is zeroing in on only one part of the statistics. He will not acknowledge that the policy is very clearly laid out. He has not acknowledged that in the course of that period the total number of beds in the system has gone up, nor that there are more ambulatory care programs, that there is more surgery being done on a day surgery basis so that people who do not need it are not hospitalized.

Mr. Cassidy: They are stacked up in the corridors. That is what is happening.

Hon. Mr. Timbrell: I indicated the other day that in the five fiscal years I have been Minister of Health, spending on health care in this province has gone up approximately 64 per cent. That is an awful lot more than either the rate of inflation or the amount by which OHIP premiums have gone up.

Mr. Van Horne: Supplementary, Mr. Speaker: At times the minister seems to delight in pointing out we lack knowledge or information while he does have a lot of information in these reports from his area ministry teams he referred to. Would the minister table the last two reports of those area ministry teams on the Toronto East General Hospital so that we might share some of that knowledge?

Hon. Mr. Timbrell: Mr. Speaker, that is not supplementary, but there would not be—

Mr. Roy: Let the Speaker decide that.

Mr. Speaker: Order.

Hon. Mr. Timbrell: With respect, I submit it is not supplementary. Still, I am delighted to let the member use up all the time of question period with interjections.

Mr. Bradley: That is very condescending of the minister.

Hon. Mr. Timbrell: Condescending? The member is telling me about being condescending? The members are the experts on arrogance, condescension, the whole bit.

Mr. Speaker: Order. Will the minister address his remarks to the question, please?

3 p.m.

Hon. Mr. Timbrell: Mr. Speaker, I will be happy to examine it and discuss it with staff. I do not believe there are any all-embracing reports on the whole operation. They would be on individual complaints or on individual matters raised by them, but I would be glad to share whatever information we have.

Mr. McClellan: Supplementary, Mr. Speaker: I want to tell the minister that I recall perfectly well the policy of February 7. I want to ask the minister, if it was the policy of the government to decrease acute care beds in order to expand chronic care beds, how can he possibly explain the fact that between March 1979 and March 1981 there has been a decline of 961 chronic care beds in Ontario? They were decreased from 10,820 on March 31, 1979, according to his figures tabled in this House last December, to 9,859 according to his figures tabled in this House on June 8.

While he is at it, why does he not explain to us what happened to the 3,218 chronic care beds which he said would be opened during 1980? He told us that on December 12, 1980, in an answer tabled in this Legislature. Maybe those beds evaporated after March 19, 1981.

Hon. Mr. Timbrell: Mr. Speaker, I will be glad to look at each of the individual answers. If there is any inconsistency I will straighten it out, but the member cannot deny that the new chronic care beds in the last couple of years are on University Avenue at the old Mount Sinai. He cannot deny that they are at the old Grace Hospital. He cannot deny that the new beds—

Mr. McClellan: Tell us where the 961 beds are.

Mr. Speaker: Order.

Hon. Mr. Timbrell: I sat here and listened to the member's question. Why is it he will not afford people even a modicum of good manners and respect to listen? If the member does not want to hear it, that is fine.

PRICE OF BEEF

Mr. Cassidy: Mr. Speaker, I have a new question of the Minister of Consumer and Commercial Relations about the tripling of retail markups for beef which has occurred over the course of the last five years according to the Ontario Cattlemen's Action Group.

In view of the refusal of the supermarkets to respond to the charges made by the cattlemen about the very substantial increase in retail markups on beef over the course of the last four or five years, will the minister investigate it?

What action will the government take to protect consumers and ensure a decent return for cattlemen and stop excessive markups on beef?

Hon. Mr. Walker: Mr. Speaker, I think —
Interjections.

Mr. Speaker: Order. Will the minister proceed?

Hon. Mr. Walker: Am I interrupting the members?

Mr. Roy: What is the minister's beef?

Hon. Mr. Walker: I have no beef. Mr. Speaker, with regard to the leader of the New Democratic Party's question about the matter of beef and the complaint of the Ontario Cattlemen's Action Group, I think there are some things that should be brought up front and mentioned before we attach ourselves to any one particular side.

All of us, of course, want those producing the beef to receive the largest amount of payment that possibly can be made, and similarly, we want a proper profit to be made by any of those people who are wholesaling or retailing the beef.

One of the problems in the Ontario Cattlemen's Action Group complaints is that the retailers actually dispute the manner in which they are calculating their markups. The member mentioned the fact that the markup has risen by three times over the last four years, I believe. We have been monitoring the price of beef. Our monitors only go back for some 25 months but I can say that in the past year, from May 1980 until May 1981, our food prices monitoring report shows that beef has risen by only 5.2 per cent.

I suspect the member has a copy of that food prices monitoring report in his own library. It will show that in the last year there has been only a 5.2 per cent increase. Indeed, it might even be considered that is a bit marginal in terms of the rate of inflation in the last period of time.

The second aspect is that the Retail Council of Canada claims that between 1979 and 1980—because the 1981 figures are not available I have to give the member the 1979-80 figures—the markups rose from 16 to 18 per cent, hardly the figure they are talking about in terms of triple over that period of four years. So there are some problems.

In addition to that, I am told one of the problems is the manner in which the cattlemen put together these prices. If one is talking about the price of a new Ford motor car, one does not

add up the price of the new muffler, the new tailpipe, the new back end, the new trunk and the new seats. Apparently, the cattlemen put together their prices in a strange way. I am told they put them together by attempting to reconstitute the carcass, piece by piece: so much for the hoof, so much for the horns and so much for the hip.

Mr. Foulds: You are on the hook end of the horns.

Mr. Speaker: Order.

Hon. Mr. Walker: Given all that, and while there may appear to be some connection between the two parts, the beef animal and the automobile, the fact of the matter is that one just cannot take a reconstitution approach to it. It has to be looked at from the whole, as the whole produced as opposed to the single parts pieced together.

I think the member should go back and take a look at the cattlemen's attempt to put these figures together. I think he will find the facts may not be what they seem to be saying. There is no doubt there is a lot of dispute to it. Our figures do not bear that out, and we have been monitoring it for 25 months.

Mr. Cassidy: I asked the minister two specific questions: Will he investigate? He obviously is saying no. Is he prepared to take action and what action would he take if he investigated? He is not prepared to take any action either to protect the consumers or to ensure decent returns for the cattlemen.

Since there were some specials in May, perhaps I can take the minister back just a month to April 1981, when the spread between the farm-gate price and the retail price for beef was \$1.02 a pound, up from an average of 57 cents a pound in 1979. That is, the spread had risen by 80 per cent in just about a year and a half.

Is the minister saying he thinks that is a tolerable increase in the retail markup for beef? If he does not think it is reasonable, is he prepared to investigate? Is he prepared as Minister of Consumer and Commercial Relations to come to the defence of the consumers? What action will the government take to roll back the price increase and make sure that we get charged fair prices for beef at the supermarket?

Hon. Mr. Walker: I suppose what the member is asking is, will we have an Ontario-sponsored beef price control agency? I do not think this ministry is prepared to set that up. I

have to tell him our prices do not tell us the same thing he is trying to tell us. We have been monitoring it for the last 25 months, and we cannot come up with those figures. Over the last year, from May to May, the rise was 5.2 per cent for beef.

I remind the member that, when the cattlemen put together their package, one of the real complaints is they fail to take into consideration some of the specials that exist. I might tell him that, if he were to go to a Dominion store, for the next week he would be able to buy three pounds of rib steaks for a saving of \$3.66 this week, down from \$11.64 to \$7.98. Yesterday we checked the newspapers, and the Safeway stores in Toronto actually have reduced the price of three pounds of round steak from \$10.74 to \$7.74. There is a \$3 reduction right there, a substantial 27 per cent saving. That is the thing.

3:10 p.m.

Mr. McKessock: Supplementary, Mr. Speaker: Does it not indicate to the minister that there is something wrong in the pricing of the chain stores when they can give reductions of \$1 a pound when they put on specials? At what time does the ministry do its monitoring? Do they do it when there is \$1 a pound off or when the stores are running it at full price?

Hon. Mr. Walker: Mr. Speaker, our food price monitoring program report number 25 came out May 1981. In that process we investigate 36 communities, including Toronto, and check these out at various times. For instance, we measured from April 3, 1980, to April 2, 1981, and from May 8, 1980, to May 7, 1981.

We choose a particular day that is a constant day, whereby we check all these matters. We hope our review process is very accurate and done on the basis of certain days, picked differently at different times, so that people cannot have specials on at just the day we are checking it out.

We cover 72 food items monitored throughout the province; so we can pretty much give an assessment of it on a day-by-day basis. Does the member get this report? I think he should have a chance to look over this report.

He asked me initially the question, how could these companies bring on a \$1 reduction on beef? For one thing, that is free enterprise, and I think the member for Niagara Falls (Mr. Kerrio) can tell him that. Secondly, I am told these companies use beef as a loss leader. They can do

anything they want with a loss leader. The beauty of free enterprise, I think, is that one can lower the price from time to time too.

Mr. Swart: Supplementary, Mr. Speaker: I get that report, but is it not true that all the report does is monitor the retail price and that it has nothing to do with the markup? Does the minister not know that the increase he spoke about—which he said was only 5.2 per cent—occurred as the farm-gate price of beef went down substantially, while the supermarkets were increasing that?

Does he not realize that constitutionally he has responsibility for retail prices in this province, as pointed out by the Attorney General (Mr. McMurtry) in a letter of December 8, 1979, where he states it would be within the competence of the Legislative Assembly to authorize the Minister of Consumer and Commercial Relations to regulate, control or roll back prices in Ontario?

With all the evidence of increased prices in this province and of collusion with regard to the increase of prices, will he not at least investigate this and report back to the House?

Hon. Mr. Walker: Mr. Speaker, I did not hear the honourable member speaking. Actually, I was overburdened with the volume of it.

Yes, I know that we only monitor. It is not as if we are telling any secret. We actually call the report the food price monitoring program. I think anyone who has an understanding of this realizes that all we are doing is monitoring.

If the member is asking us if we are setting the prices, I tell him we are not setting the prices. If he asks us whether we are prepared to support his private bill that wants us to set the prices of food, I say no.

LICENCE PLATE SLOGAN

Mr. Boudria: Mr. Speaker, I have a question for the Minister of Intergovernmental Affairs about our proposed new slogan for Ontario licence plates.

Since it appears that the government's failure to keep our environment clean has resulted in the abandonment of the "Keep It Beautiful" slogan and changing it to "Ontario—Yours To Discover!"—

Mr. Yakabuski: Oh, look across the river, for God's sake.

Mr. Smith: If he wants to see pollution, he can look across the House in your direction.

Mr. Speaker: Order. Surely the members will extend the courtesy to another member to ask a question.

Mr. Boudria: Mr. Speaker, I want to ask the minister in charge of francophone rights whether he will undertake to have the licence plate made up in both French and English in this province?

Hon. Mr. Wells: Mr. Speaker, we are not contemplating that.

Mr. Boudria: Since "Ontario—Yours To Discover!" is really a tourism theme, bilingual licence plates would not be at all inconsistent with the major thrust placed on French-language tourism promotion by the Ministry of Industry and Tourism. I want to quote from Hansard what the minister said:

"We are establishing a year-round advertising presence... for the first time under the translated theme 'L'Ontario a decouvrir.'"

That is at page R-882 of Hansard for October 7, 1980.

Was the minister aware of the major thrust in tourism promotion in the French language? That would be quite compatible with the offering of the same bilingual message on the licence plates.

Hon. Mr. Wells: The simple answer is that there is no room on the plates for anything else. I think our friends from Quebec found that out when they went for unilingual plates. This has nothing to do with the fantastic thrust that my colleague is carrying on to attract people to this province from all over and particularly from Quebec. But I think it is very important that the name "Ontario" appear on the licence plates, completely and fully, on top.

My friend suggested to me privately that to make the plates bilingual we could take "Ontario" and put it over on the side in some little wee corner. We would not want to do that. I think it is very important for tourism that, when our drivers are driving all over the other provinces and the United States, people see where they are coming from.

ASTRA/RE-MOR

Mr. Smith: On a point of privilege, Mr. Speaker: I have just been handed a copy, which was dictated over the phone, of the letter that was sent to Mr. H. Roach of the Ministry of Consumer and Commercial Relations, July 31, 1979, by Mr. Robert McGlynn, a letter to which the minister made reference earlier. The letter says:

"Further to my letter of July 23, 1979, in connection with investments made by Sheila and Henry Ramsey with Astra Trust, I would

confirm that the Ramseys' investment with Astra has been returned to them in full with interest to July 27, 1979."

There is nothing there suggesting that the previous letter should be disregarded or that the charges and the litany of complaints should be withdrawn. Therefore, the minister either has been seriously misinformed by his staff on this very vital matter of when the government had knowledge of these problems or has taken it upon himself to misinform us, which I am sure he would not do intentionally.

I suggest that the privileges of the members of this House have been taken somewhat lightly by either the minister or his staff. It does not do to tell us that charges were withdrawn when all that happened was that a report was made saying the Montemurro people gave back the money when threatened that the matter was going to go to the government.

Hon. Mr. Walker: Mr. Speaker, I wish to speak to—what was that, a point of privilege? I do not mind the Leader of the Opposition coming in here and being confused, but when he sits there, hears what I have to say and then takes what I said and changes it around to fit his own thought process, that disturbs me.

The fact of the matter is, I answered and said a telephone call was received from Mr. McGlynn, and the telephone call said: "Do not worry about it. You can ignore it; we have the matter entirely resolved."

Mr. Smith: Confirmed by letter, you said.

Hon. Mr. Walker: Mr. Roach asked that that be sent in writing. Then, yes, I said a letter had been received which indicated the matter had been resolved in my mind. Those are the words I used, that the matter had been resolved. I said when I get a copy of the letter I would see to it that he got a copy of the letter.

Mr. Smith: Instant Hansard will show what you said.

Hon. Mr. Walker: The Leader of the Opposition can get a copy of Hansard if he pleases. That is what I had to say, and I resent that the Leader of the Opposition would suggest I changed my story. I did not change my story. Perhaps if he can get a copy of Hansard, and after he has read that he will have some view of my presentation.

Mr. Smith: You left the impression that it was withdrawn.

Hon. Mr. Walker: He should not come in here and say I said things which I did not say, especially when he heard it only 20 minutes ago.

Mr. Smith: You said it only 20 minutes ago, and you have forgotten. Hansard will show it.

Mr. Speaker: Order. Mr. Cooke, proceed please.

3:20 p.m.

SEVERANCE PAY

Mr. Cooke: Mr. Speaker, I have a question for the Minister of Labour.

The minister will be aware of a strike that began on June 12 at the Windsor Bumper division of Gulf and Western (Canada) Limited and that, as of yesterday, the owners of that company indicated to the 150 workers that the plant would be closing.

The minister also will be aware that the plant now is being occupied by 17 workers in an effort to get justification for the plant closure, something this government does not have the guts to do in legislation in this province.

Will the minister kindly explain to the members of this Legislature, the 17 workers and the other thousands of unemployed workers why they must occupy plants to get a half-assed severance pay and now to get justification for plant closure? Will he explain that to the people of Ontario?

Hon. Mr. Elgie: Mr. Speaker, if I may, on behalf of the House I want to apologize to the children sitting in the galleries for that kind of language. I think it is disgusting.

Mr. R. F. Johnston: Apologize to the workers, Elgie.

Mr. Martel: At least it is not the ethnic slurs that come continuously from the other side of the House.

Mr. Speaker: Order.

Hon. Mr. Elgie: Mr. Speaker, conciliation and mediation have been going on for some time at Windsor Bumper and, as the honourable member knows full well, the mediation revolves solely around monetary matters, with the company having one position and the union another. As a result of that disagreement, a strike commenced on June 12.

It is true that, as of yesterday, the company did advise employees the plant would be closing. But it is also true that same company and that same trade union are meeting tomorrow in the company of a mediator with the director of that division to see if they still cannot resolve the dispute.

With regard to the sit-in and the reasons for it—and I say this very sadly and frankly; I speak quite frankly—I think that what has happened with regard to that sit-in is sad. I think it does a disservice to the members who are involved in it, a disservice to the trade union and a disservice to society.

Mr. R. F. Johnston: You are the minister of corporations—the minister of management.

Hon. Mr. Elgie: I am quite serious about that. In a society built on the basic foundations of peace, order and good government, in a society where trade unions have a legitimate role to play, they should not bring discredit upon themselves by this kind of illegal behaviour.

Mr. Cooke: As the member representing the workers in that riding, I have no hesitation in saying that I support that sit-in. The Minister of Labour will not act on the workers' behalf; so they have to take action into their own hands.

Maybe the minister could come up with some kind of justification and explain the shutdown when it is a fact that work at that plant has increased, demand for the bumpers has increased. In fact, the number of employees has gone from 50 last year to 150.

The termination notice that went out to the workers yesterday said the plant would be closing as soon as the work that has to be done in that plant is transferred to the American plant so that customers can be satisfied.

Can the minister not see some injustice in that and why the people who are occupying that plant and losing their jobs have lost faith in this government and in the philosophy of peace, order and good government?

Hon. Mr. Elgie: I hope the member is not saying he does not believe in the collective bargaining process where one party can have one position and another party have another and, if there is an impasse, each have certain options. I say to him that illegal activity should not be one of those options and it brings discredit on everybody.

Mr. Mancini: Mr. Speaker, the minister refers to peace, order and good government—

Hon. Mr. Elgie: I don't. The opposition said that.

Mr. Mancini: —and I say to him, two out of three isn't bad.

Mr. Speaker: Order.

Mr. Mancini: Mr. Speaker, my supplementary to the minister is that some six months ago he felt the problem of plant closures was so

severe that he suggested and had created through the Ontario government a select committee to study plant closures. As these plant closures continue without abatement, will the minister now finally ask the cabinet to reappoint the select committee so we can finish the work that he felt was necessary six months ago?

Hon. Mr. Elgie: Mr. Speaker, the member knows full well that the whole issue of the select committee on plant closures and employee adjustment received extensive consideration in an open debate in this House some two weeks ago. He well knows that this government has introduced a series of measures related to pension benefits, that a plant closure division has been established and that there has been proposed legislation, which received second reading yesterday and which we think is progressive, practical and realistic.

PUBLIC SERVANTS' SCHEDULES

Mr. T. P. Reid: Mr. Speaker, I have a question for the Minister of Health relating to the discussions in the public accounts committee in regard to the Ministry of Health.

At the meeting that the minister attended as an observer on Thursday, June 4, his deputy minister, Mr. Campbell, gave as a response to my question about the reason for his not telling people his schedule: "People who work at senior levels of the health system unfortunately get death threats periodically; so the staff is not usually very forthcoming about schedules. But that is another problem."

I thought in the first instance that excuse given by Mr. Campbell was a facetious one, but presumably Mr. Campbell was serious about it.

Can the minister explain to the House whether he is aware of any death threats to senior health officials? Has the minister had any? What protection is there for these people? Can the minister explain why his schedule is very publicly promulgated to each and every person across the province who might be a delegate to the Tory leadership convention, if and when that happens, but his officials will not tell the public what their schedules are?

Hon. Mr. Timbrell: Mr. Speaker, I do not make a habit of publishing my schedule.

Mr. Breithaupt: I certainly know where you have been.

Mr. Speaker: Order.

Hon. Mr. Timbrell: Certainly when I travel, even when it is with the member for Rainy River on government aircraft, it is known in the

community that I am coming. I cannot deny that. I guess that is part of the risk that he and I take in deciding to be involved in public life.

I am aware that from time to time there have been and there are threats made against my own person. I do not particularly care to discuss it in great detail here, because it seems to me that sort of thing unfortunately only encourages more of the same, but suffice it to say that we have taken security precautions in various offices, particularly in the office of the minister and the deputy minister.

Mr. Speaker: New question, Mr. Mackenzie.

Mr. T. P. Reid: I have a supplementary, Mr. Speaker, if I may.

Mr. Speaker: Order. You were rather slow on your feet. Final supplementary.

Mr. T. P. Reid: As always, I am trying to digest the minister's comments.

Given the fact that this is a problem, and even though probably all of us at one time have had these threats in one way or the other for different reasons, does the minister not think that public servants' schedules should be available to people so that we know where people are and what they are doing so that they can be accountable to the members of the Legislature and through us to the people?

Hon. Mr. Timbrell: I am not sure who phoned whom that morning or how they identified themselves.

I do know, as I said, we have had problems from time to time. I would be glad to discuss them with the member privately. I do not intend to do it in this kind of forum or any public forum that is going to just in a way contribute to the problem in the longer term. We have taken particular precautions where we are.

3:30 p.m.

WABCO DISPUTE

Mr. Mackenzie: Mr. Speaker, I have a question for the Minister of Labour.

Will the minister inform the House what additional steps he may be taking to deal with the strike involving Wabco Limited and Local 558 of the United Electrical, Radio and Machine Workers of America in Hamilton which is now more than 30 days old?

Is the minister fully aware of all the ramifications of that strike, including the fact that the head office of Wabco has been trying to supply its Canadian customers from its American plants? That undermines the position of the

workers and is somewhat akin to the deliberate blackmail we see by the company in the Windsor case.

Also, is the minister aware that the lack of supplies from Wabco means we are going to have 700 additional National Steel Car workers laid off in Hamilton tomorrow?

Hon. Mr. Elgie: I apologize to the member but I am not briefed on that particular strike, Mr. Speaker. I will gather information and report to the House tomorrow.

Mr. Mackenzie: Inasmuch as the layoffs at National Steel Car take place tomorrow as a result of lack of supplies, and inasmuch as this strike now has gone on for better than 30 days, will the minister take some additional steps other than the usual mediator situation to see what can be done to bring this dispute to an end?

Hon. Mr. Elgie: I will give serious consideration to the recommendations of the member.

ACCESSIBILITY FOR DISABLED PERSONS

Ms. Copps: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. In a letter to the editor of the Ontario March of Dimes newsletter, The Advocate, last month, the minister made three statements regarding the Ontario Building Code that are inaccurate. He stated: (1) that the code provided access to every suite of all newly constructed apartment buildings in Ontario exceeding 6,000 square feet that were equipped with elevators; (2) that access was required to places of employment, and (3) that recent amendments require washroom facilities on each floor of office buildings.

In fact, the above statements are not accurate, and I ask the minister whether he was aware of the inaccuracies when he signed the letter or whether he just rubber-stamped someone else's work?

Hon. Mr. Walker: I will look at the letter, Mr. Speaker.

Ms. Copps: In the same letter, the minister claims the Ontario Human Rights Code, the Ontario Building Code and programs like Wintario may or may not relate to or complement each other. If the ministry's actions or inactions do not relate to one another, how can the minister develop the kind of comprehensive policy vis-à-vis the disabled that this province so desperately needs?

Hon. Mr. Walker: I will look at the entire matter. There is an internal relationship there.

Ms. Copps: In other words, the minister is saying he does not know what he signed or why he signed it.

DRIVER TESTING HOURS

Mr. Di Santo: Mr. Speaker, I have a question for the Minister of Transportation and Communications.

An hon. member: After 18 days.

Mr. Di Santo: Yes, after 18 days.

Has the minister had a chance to examine the petition introduced in the House early in June by some residents of Downsview who were complaining about the extension of hours of driver testing? Has he made any decision in that regard?

Hon. Mr. Snow: Mr. Speaker, yes and no.

Mr. Di Santo: Since the hours have been expanded from 7:30 a.m. to 5 p.m. and testing also takes place on Saturdays as a result of the closing of the Hallam Street driving test centre, does the minister not think it is a bit unfair to dump all the testing on Downsview when it would make more sense to decentralize so the residents of a particular area would not suffer the consequences?

Hon. Mr. Snow: We have extended the hours in an attempt to give better service to the public and provide better opportunities to those people who may be working at steady jobs every day and who would have to take off a half a day or a day from work to take a driving test. This has not only happened at the Downsview depot, it has happened in a number of municipalities in the busier areas of the province. I hope we are going to be able to do it in more areas across the province in the near future.

PLANT SHUTDOWNS

Mr. Martel: On a point of privilege, Mr. Speaker: I want to correct the record. In the last several weeks, as we have raised questions with respect to plant shutdowns and layoffs, continual reference has been made to a "report" by the select committee. Mr. Speaker, you were a member of that select committee. I think the House should know that what the Minister of Labour said today and what some of his colleagues are making reference to is not a report by the select committee; it is merely a working document that the select committee did not have an opportunity even to discuss so that a final report could be presented to the Legislature.

This constant reference to that supposed

report is merely a lot of nonsense. The members had no input at all. It was merely a working document prepared by a member of the research staff. To try to imply from that document that something can be enacted by the government with some assurance that members had input into that document is simply nonsense. I do not think ministers should try to make a link between the two, because it is not valid.

If the government wants to reappoint the select committee so that we can make final recommendations, I can assure it that both parties on this side of the House would be absolutely delighted to go along with that select committee.

Hon Mr. Elgie: Mr. Speaker, with the greatest respect, the member will recall that yesterday when the member for Windsor-Riverside (Mr. Cooke) referred to the report I concurred that it was not a report of that select committee, so nobody is trying to mislead the House about that. What I said was that there was a full and complete debate on that document—if I said report I was in error—in which everyone had a clear opportunity to explain his position on the issues that were in that document and those that were not.

Mr. Speaker: Thank you for the clarification, Mr. Martel.

ASTRA/RE-MOR

Mr. Smith: On a point of privilege, Mr. Speaker: On the question of the serious allegations made about the use of Astra Trust as a front for Re-Mor and about the serious misuse of the licence of a company that was licensed provincially, and on the matter of whether the lawyer did in fact withdraw those allegations, I want to tell this House that the lawyer is prepared to state that he never did withdraw the allegations.

Secondly, the letter I have read into the record said only that the clients got their money back—nothing about disregarding the previous letter, nothing at all. When the minister answered my previous point of privilege he said all he had said was that the phone call—not the letter, only the phone call—had said, "Withdraw my previous letter and ignore it." In fact neither the phone call nor the letter did that.

More to the point, I want to quote from the Instant Hansard, which is in my hand at the moment, what the Minister of Consumer and Commercial Relations said earlier today. He said, on page 1440-1, "All I can say is, on the

basis of the letter that was received setting out a number of allegations, and then receiving a call from the individual who actually wrote the letter, followed up by a letter from him—a copy of which I would be glad to provide the member if we are able to locate it—saying ‘Please disregard everything we have said,’ wouldn’t it be reasonable to do that?” The letter said no such thing.

Further, the minister said later on in the question period: “I know it is not your duty to answer questions. You never answer questions. But do you not realize that it is reasonable to assume, when the person who wrote the letter sends another letter saying to disregard it, that you can reasonably do that?”

The minister, when he denies having said he received a second letter saying “Disregard the first,” clearly has a faulty memory of what he said 20 minutes earlier, which is recorded in Hansard. Further, this extremely serious and grave matter, which demonstrates that a list of serious allegations, all of which proved to be entirely correct, was sent to the ministry and never withdrawn, and that the ministry was merely informed that, under the pressure of being told this letter had gone forward, Mr. Montemurro coughed up the money—and that is all the ministry was informed about—is further evidence of the negligence and the dereliction of duty in the ministry.

Further to that, the minister has been misinformed today by his staff on this very matter. If this does not point out the need for an independent inquiry into this whole affair, I do not know what in heaven’s name ever will point out that need. The minister knew about it a year before he had to.

3:40 p.m.

Hon. Mr. Walker: Oh, boy. Mr. Speaker, here we go again.

Hon. Mr. Bennett: It is Thursday.

Hon. Mr. Walker: Yes, you can tell it is Thursday.

Mr. Roy: You misled the House and you know that.

Ms. Copps: You misled the House.

Hon. Mr. Walker: Do not ever say that again. Please do not ever say that.

Ms. Copps: Is that what you are going to say to the investors?

Mr. Speaker: Order, order.

Mr. Smith: Are you prepared to withdraw the statement you made earlier?

Mr. Speaker: Order. I would point out to the members that all interjections are out of order. Proceed, Mr. Walker.

Hon. Mr. Walker: Mr. Speaker, in speaking to the point of privilege that was raised by the Leader of the Opposition, I have a copy of the Instant Hansard. What he is saying is that I interpreted the letter and said what the letter had said. Here is what I said. It is on page 1435-1. Look at that. Just refer back another page there. The member is so busy rehearsing—

Mr. Smith: It is page 1440-1.

Interjections.

Mr. Speaker: Order, order. You made your point very clearly, Mr. Smith.

Mr. Smith: I just quoted from 1440-1.

Mr. Speaker: Order. Will the minister proceed?

Hon. Mr. Walker: Mr. Speaker, perhaps the member was so busy rehearsing his next answer that he did not have a chance to read page 1435-1, which said—

Mr. Smith: God, you are making a fool of yourself.

Interjections.

Mr. Speaker: Order. Give the minister a chance to respond.

Hon. Mr. Walker:—“There was a telephone call that came from McGlynn, the very lawyer who sent the letter, saying: ‘Please disregard this letter. In fact, it has not substance. In fact, the whole matter has been resolved.’ To use his words, I gather he said: ‘It has all been fixed up and it has all been corrected. Don’t do anything about the letter that I sent you concerning this Astra Trust Company.’”

Mr. Speaker, I am merely relaying the information that has been relayed to me by my superintendent of insurance. That was apparently written on the file as a memo to file immediately after the telephone call came in. Later on at 1440-1, where the Leader of the Opposition chose again to quote me, depending on the emphasis he happens to put on the word “saying”—he comes up with it relating to the letter—I would say “saying” relates to a telephone call. It seems to me that in relation to a telephone call the word “say” is in proper context. In relation to a letter, the word “state” is the proper context.

But here is what I said in my reply at 1440-1: “All I can say is, on the basis of the letter that was received setting out a number of allegations, and then receiving a call”—underline the

words "a call"—from the individual who actually wrote the letter, followed up by a letter from him—a copy of which I would be glad to provide the member if we were able to locate it—saying"—and the "saying" relates to the call—"Please disregard everything we have said,' wouldn't it be reasonable to do that?"

Mr. Smith: Would you read 1440-2 please?

Mr. Speaker: Order.

Hon. Mr. Walker: It seems to me I was pointing out as clearly as possible what I could. I said I did not have a copy of the letter. I said if we can locate the letter—I have not read a copy of the letter, but I was giving the impression I had of the memo to file. As well as that, I was giving the general impression I had of the letter. We all have a copy of the letter now to show exactly what it says. The fact of the matter is that the lawyer who was involved basically withdrew his objections. That is all I was merely trying to communicate to the member. I do not think it is anything more than that. I want the member to remember that he is getting confused in the companies. He should not get these two confused.

Mr. Smith: I am not getting confused.

Hon. Mr. Walker: There is Re-Mor Investment—and the member calls it a company—which is connected with Via Mare, and there is Re-Mor Investment Company Limited. Do not get the two confused. All I am saying is it behooves this member to give us all the details here, not just a few. If he has a letter, it is interesting that he had that letter.

Mr. Smith: I have to continue this point of privilege, Mr. Speaker, because he did not read the entire Hansard.

Mr. Speaker: Order. Your point of privilege has been made.

Mr. Smith: I am sorry, Mr. Speaker, the man purported to quote to you what he said, only he did not do so. Because on page 1440-2 of Instant Hansard, there is a sentence that says "Don't you realize it is reasonable to assume when the person who wrote you the letter sends another letter saying to disregard it . . ."

I ask you please to consider that I stood up earlier in the question period and said that the letter which had been sent did not ask anybody to disregard the previous allegations. You understand that the nub of the whole matter is if the ministry knew back then, it had no business saying it has not been told. This is the nub. This is the key issue in this whole Re-Mor matter.

If they were given a list of allegations and did not look into them on the notion that they were sent another letter saying ignore the first letter, you might or might not understand it, but since the letter they were sent did not say ignore the first letter but merely said Montemurro has now paid up—and in fact he paid up under threat of that letter having gone in—and since when I raised that matter earlier, the minister's defence was he had never said that the letter had asked him to disregard the previous letter when on page 1440-2 the words of the minister are, "You never answer questions, but don't you realize it is reasonable to assume when the person who wrote the letter sends another letter saying to disregard it, that you can reasonably do that. Isn't that a reasonable thing?"

That is what the minister said, but the second letter did not say disregard the first letter. It merely said, "My clients have recovered their money from Montemurro." In no way did it say disregard the serious list of allegations which they made in the first letter. That was probably one of the first, if not the first time that the government was given a detailed list of allegations which it should have investigated. Apparently it did not do so, which is another sign of negligence.

PETITION

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Swart: Mr. Speaker, I have a petition signed by 20 members to present to you in view of the Minister of Health's indifference to the health problem of the urea-formaldehyde foam insulation in homes, to the extent where he will not even locate the homes or have them tested or even issue instructions about what the people should do. I table a petition pursuant to standing order 33(b) of the Legislative Assembly: The undersigned members of the Assembly hereby petition that the annual report of the Ministry of Health for the fiscal year ending March 31, 1980, be referred to the standing committee on social development for such consideration of the report as the committee may determine.

INTRODUCTION OF BILLS

ONTARIO MENTAL HEALTH FOUNDATION AMENDMENT ACT

Hon. Mr. Timbrell moved, seconded by Hon.

Mrs. Birch, first reading of Bill 123, An Act to amend the Ontario Mental Health Foundation Act.

Motion agreed to.

Hon. Mr. Timbrell: Mr. Speaker, I am proposing two amendments to the Ontario Mental Health Foundation Act, which was first passed 21 years ago.

The first of these amendments is designed to revise the criteria for appointment to the advisory board of the foundation, which proposes to permit representation from fields such as psychology and epidemiology to the board, whose members to date have come from medicine only.

This change in board composition will offer a multidisciplinary approach consistent with developments in mental health care over the past 20 years. This approach promises a greater scope to the knowledge upon which decisions affecting mental health research are based.

3:50 p.m.

The new board will necessitate striking the word "medical" from the existing title of advisory medical board wherever it appears in the act.

The second amendment will put McMaster University on the list of health sciences centres now recommending people for membership to the board. The reason for this is that McMaster did not have a faculty of medicine when the act was passed in 1960.

Honourable members will recall the Ontario Mental Health Foundation was created to produce a program of mental health research, diagnosis and treatment. It is my hope the amendments to the OMHF Act can be passed at the earliest opportunity.

LEEDS-GRENVILLE BOARD OF EDUCATION AND TEACHERS DISPUTE ACT

Hon. Miss Stephenson moved, seconded by Hon. Mr. Grossman, first reading of Bill 124, an Act respecting the Leeds-Grenville County Board of Education and Teachers Dispute.

Mr. Martel: Mr. Speaker, on a point of order: Members are supposed to receive a compendium of information which would indicate the issue at stake. I have the compendium of information before me and the statement prepared by the minister. Surely if we are being asked to vote on a bill that in my estimation is going to destroy collective bargaining in this dispute we should at least have the courtesy of receiving what is at dispute.

There is a strike. My understanding is the strike is over class size enrolment. But there is nothing in the compendium of information which even indicates what issues are at stake. We are being asked to vote on a bill which will see any side prepared to stonewall from here on until the government is prepared to intervene. We are expected to vote on that without any information concerning what is at issue. I am just not prepared to support that sort of bill.

Hon. Miss Stephenson: Mr. Speaker, the issues at stake and a review of the activities carried out by the very able mediator could be provided for the honourable member. I did not expect him to support it anyway.

Mr. Foulds: Mr. Speaker, I find the attitude of the minister disturbing: it matters not whether the opposition supports government legislation, as the Premier (Mr. Davis) has reminded us so often about the realities of March 19.

Mr. Rotenberg: On a point of order, Mr Speaker: Is he speaking to a point of order?

Mr. Speaker: Order.

Mr. Foulds: Yes, I am speaking on a point of order.

Similarly, the essence of the rule in the standing orders about a compendium is that the compendium by its definition should be complete. As my colleague from Sudbury East points out, it is not complete.

Also, we do not have at hand the number of meetings that have taken place between the parties involved, the issues that have been settled and so on. One sheet and a one-letter compendium of information in this very serious matter, in my humble view, is incomplete. As a member of this Legislative Assembly, I feel my privileges have not been adhered to in this case.

Hon. Miss Stephenson: Mr. Speaker, I will certainly try to provide the information the members find essential.

Mr. Speaker: Is that acceptable? Shall the motion carry?

Those in favour of the motion will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

ORDERS OF THE DAY

MARKETING BOARDS

Mr. G. W. Taylor moved, seconded by Mr. J. M. Johnson, resolution 10:

That this House reaffirm its support for

producer operated provincial and national marketing boards, which provide an effective means of marketing many farm products in this country, and which give farmers much needed bargaining power in the marketplace and have been an effective mechanism to provide consumers with a stable supply of wholesome food products at reasonable prices, and which are supportive of the family farm, small business, and the promotion and development of food resources throughout this province and country.

Mr. Speaker: I would point out to the honourable member that you have up to 20 minutes for your presentation. You may reserve any portion of this time for windup, if you so desire.

Mr. G. W. Taylor: Mr. Speaker, I will be reserving some time for a windup.

After having read the motion, which I believe is very topical today, I do not pretend to know all about marketing boards, their functions and their mechanisms, but agriculture is a very important topic to the people we represent. Indeed, there are many people in this Legislature, new people, who have a great deal of knowledge about this, such as the member for Lincoln (Mr. Andrewes), the member for Durham York (Mr. Stevenson), the member for Chatham-Kent (Mr. Watson), the member for Wentworth (Mr. Dean), the member for Northumberland (Mr. Sheppard) and the member for Simcoe East (Mr. McLean). These new members bring to this Legislature a great deal of information on agriculture and agricultural products.

I bring to your attention, Mr. Speaker, some of the things that my Premier (Mr. Davis) has said on this particular matter and quote a speech that he made on February 5, 1981, where he said:

"The government I lead is aware that this province was founded by farmers. We believe the farmers of this province are among the most enterprising, innovative and productive groups in our society. Over the years, we have tried to develop a partnership between government and the farm community, a partnership which has produced policies and programs designed to help farmers help themselves.

"Overall we have sought to develop an approach to agriculture which is designed to help farmers help themselves, and to keep the state out of those activities which no government could ever perform as well as the enterprising farmer can on his own.

"We recognize your right to do so, if you wish. Many of you have chosen to do that. Many of you have chosen to go it alone. Either option has its advantages. My government will maintain your right to choose freely as long as we have the opportunity of representing the interests of this province."

That is the farm marketing process and position made by the Premier of this province.

I would like to expand on this motion on how 24 separate marketing boards operating in Ontario succeed to present agriculture in its best light. These boards have developed over a 45-year period in response to a number of difficult marketing situations. Some of the boards for poultry and milk are affiliated with the equivalent national marketing agencies which operate to share markets between the provinces on the basis of equity to farmers wherever they are found.

There is a great deal of criticism of some national marketing boards, and much of this criticism is warranted, particularly when it favours one province over another and when it is unrelated to the ability of those provinces to produce for their local demand. There are many methods of operation on these marketing boards. Some of the boards negotiate with their buyers to establish minimum prices and uniform terms and conditions of sale. An outstanding example of this is the Ontario Vegetable Growers' Marketing Board, which functions for 12 main processing crops. This board and the Ontario Food Processors Association have developed a unique bargaining system called final offer selection.

4 p.m.

To resolve their annual negotiations, they use this selection method. The actual crops are grown under contract with the processors in keeping with their share of the domestic and export market. Sweet corn for processing is an ideal example. Pricing arrangements are made available to stimulate exports, particularly from central and eastern Ontario.

While I readily admit all procedures will not apply equally to all boards or all commodities, experimentation, innovation and change should be welcomed. There was a 1979 study produced by the Ministry of Agriculture and Food at their request which resulted in many changes in agriculture in Ontario.

Other kinds of marketing boards establish the price on the basis of consultation with the buyers and in the face of market demand. For example, the fresh peach crop is marketed by

the Ontario Tender Fruit Producers' Marketing Board which does a good job with the retailers and wholesalers to distribute a perishable crop in a way consumers appreciate.

Some boards, such as the Ontario Wheat Producers' Marketing Board, take charge of the product when it is delivered from the producers and sell it on a worldwide basis.

Finally, there are the well-known marketing boards in poultry and dairy products which exercise supply management in addition to establishing prices for their commodities. Some of these are referred to as quotas, and although I am not satisfied with the quotas received by Ontario from some of the federal marketing boards, I think this is being negotiated and should be more forcefully negotiated with the federal boards to see that Ontario farmers receive a more adequate share of quotas.

As indicated in my motion, the boards give farmers much needed bargaining power. This bargaining power is needed in the marketplace where it is sometimes dog eat dog. We want our farmers farming and not negotiating at the processing stands when they bring their produce to market.

After all, we are talking about 70,000 family farm businesses of every conceivable size and type, and a relatively concentrated buying, wholesaling and retailing market that has great power to manipulate those prices. These buyers recognize the value to them of a stable marketplace which allows for development of high quality and good service to their customers.

The farmers are growers, experts on the land. This needs their most constant attention and the product is a perishable one that has to be sold at a particular time of the year when it comes to market. They cannot be pushed around by the large retailers who must consider these items more precisely in their marketing procedures. The farmers cannot be both at the marketing stand and at the farm, and we need them more on the farming end of it.

They are trying to provide the consumer with a low cost, high quality product. The time, energy and knowledge provided by boards allow the farmers to provide for the growing of produce. The boards provide the marketing and assistance in that marketing.

The consumers of Ontario are blessed with a reliable supply of wholesome food products at reasonable prices well within the means of Ontario citizens. Our consumers have a bewildering array of choices in the market. Rarely does one find a true shortage of any class of food

in the marketplace. I wonder sometimes if many of the consumers realize the extent of what our farmers do in getting that food to market and the great effort that is put forward to provide that fine quality food. Those of us who have urban backgrounds just go into our supermarkets and receive that fine, fresh produce.

When I pass through the Holland Marsh, back and forth from my riding, I watch the hard work that goes into the growth of the farm products that are feeding most of the Metro region and markets all over North America. A great deal of hard work, energy and innovation are needed to get those products to market.

The family farm is an efficient method of agricultural production. A farm manager, blessed with a hard working family as many of them are, can provide the highest quality crops in competition with anyone provided that when he brings that crop to market he gets a fair price for it in keeping with the cost of production. The marketing boards often guarantee that fair price.

We know the cost of production is rising in relation to oil, fertilizer, equipment, labour, feed and interest rates, to name just a few. The running of a farm, family or otherwise, is no longer simple. Boards assist in supply, price, delivery and promotion. They remove some of those vagaries of the market that in earlier systems made a hotchpotch of the marketing of our farm products. These ingredients are now co-ordinated so the farmer can receive the best price for his product.

The agribusiness is able to operate profitably as both a supplier to and a buyer from the marketing boards in Ontario. As buyers, they can be assured that their substantial investments in plants will have a steady supply year after year in a market climate that will allow them to develop their full sales potential in keeping with their own quality standards and skills.

I welcome this opportunity to commend the efforts of marketing boards in the service of Ontario agriculture. Marketing boards suggested by producers were legislated into existence usually to deal with severe economic problems. They have successfully raised the standard of living of thousands of farm families who have been in a position to develop their businesses and take an active and equal role in society.

The consumer spends approximately 17.7 per cent of disposable income on food. That includes both home and restaurant business. In the 1950s, the figure was 25 per cent of disposable income spent on food.

Marketing boards account for one half of the gross farm income in Ontario, which is now close to \$4 billion annually. Although we have been concerned about marketing board issues, including appropriate price levels and quota allotments, these concerns have to do with the fine tuning of the system. Some of the producers who are currently facing difficulties as a result of the free market price of their commodities and the high cost of financing and purchasing inputs look to the marketing board systems with some justifiable envy.

However, marketing boards will not automatically solve every problem unless we are very careful in considering applications for this type of legislation on new commodities in the future. I quote from *Reforming Regulation*, a recent document by the Economic Council of Canada. This document has received a great deal of notoriety in our media lately, and some of it I wish to emphasize.

On page 65 of that document it says, under the heading "Conclusions and Recommendations": "Our examination of selected agricultural marketing boards suggests that those principally aimed at establishing countervailing power for farmers, such as the hog boards, the fruit and vegetable boards and the Canadian Wheat Board, have generally been operating successfully and to the benefit of society. These boards have worked to the advantage of producers, who are now able to secure the fair return formerly denied them because of their insufficient bargaining power. To the extent that markets function better, that additional detailed information is provided and that quality is controlled, both the consumer and the producer benefit. No doubt, as in the case of other institutions, the operation of the boards could be improved. Nevertheless, the council endorses their activities and sees no need for radical changes in their mandates."

I emphasize that last part. That is why I spoke of fine tuning. We cannot just disregard the marketing boards. Even the Economic Council of Canada does not say that. It says, naturally, that their activities have to be monitored, that there is no need for radical changes, but that they have to have some changes. That is where the fine tuning comes in. That is what this debate is about and what the marketing boards have to secure for themselves in the future.

I also quote from page 67, where it says: "None the less, we have decided not to recommend altering the existing mandate or composition of individual commodity boards. Farmers

have fought hard to obtain a degree of control over the effects of economic conditions, and a radical change might undermine their confidence in such boards. Rather, increased accountability might be obtained by changing the composition and procedures of the supervisory boards. In this connection we believe that a number of minor changes"—and I emphasize "minor"—should be introduced so that all regional and national supply management schemes are subject to the same accountability and supervisory provisions."

There again it is not saying to do away with these boards; it is saying to make them more accountable.

The boards also should not unduly restrict the individual farmer from expanding or from entering the field of farming. We should be more and ever vigilant that initiative is not stifled, that ambition is not retarded, that farmers and their capacity to buy is not regulated to the point where they are reluctant to continue in a most positive and inspirational way.

4:10 p.m.

Other purposes, such as research and development of foreign markets, are part of the marketing board tradition. Marketing boards are leaders in sales development. The pork board, the milk board and the poultry boards have made the consumer aware of their products and their nutritional values for the family. In particular, we commend the Ontario Milk Marketing Board, which tells teenagers as well as others to enjoy milk. There again, they are being positive about the product they sell.

I believe the wording of my resolution expresses very well the function that marketing boards perform. They are an effective means of marketing many farm products in Canada and they give farmers very necessary bargaining power in the marketplace. In addition, they serve the interests of the consumers by ensuring a stable supply of wholesome food products at reasonable prices. Marketing boards help make possible the preservation of the family farm and the agricultural traditions we value in this province while at the same time promoting the development of our food resources.

I am sure a number of my colleagues in this Legislature will wish to draw attention to this important subject, and I welcome their comments. Indeed, the farming community is supplying to their producer-operated marketing boards some very fine assistance to provide consumers with an excellent product.

Mr. Riddell: Mr. Speaker, the author of this resolution, the member for Simcoe Centre (Mr. G. W. Taylor), knows full well he will get support from the Liberal Party. Not only did the federal Liberal government pave the way for supply management boards in the first place, but also it has been the Liberal Party in Ontario that has continued to champion the cause of farmers ever since there was a need for government involvement in the agricultural industry.

The member for Simcoe Centre needs to look to his own colleagues for support, considering the ill-conceived comments that the Minister for Consumer and Commercial Relations (Mr. Walker) made just recently to the Ontario chapter of the Consumers' Association of Canada about marketing boards.

Such bashing of marketing boards by individuals and concerns such as those of the minister, the Consumers' Association of Canada and the Economic Council of Canada, gives me great concern about the future of marketing boards in this country.

We read articles that indicate Canadian consumers are paying hundreds of millions of dollars every year in higher food prices because some government marketing boards are controlling food production to keep the prices artificially high.

Consumers are led to believe that supply management used by provincial marketing boards to regulate the production and price of farm commodities costs Canadians billions of dollars.

Many economists and consumer groups say Canadians are paying substantially more for such basic items as eggs, chickens and turkeys because producers of these food items have organized themselves into virtual domestic OPECs whose monopoly powers dictate production levels and fix prices.

Obviously consumers do not know the facts, and perhaps marketing boards will have to accept part of the blame for the misconceptions.

The era of supply management began in Canada in 1972, when the federal government passed the Farm Products Marketing Agencies Act, which paved the way for federal supply management boards. Since then, producers of eggs, turkeys and broiler chickens have come under a national supply management program.

At the time the legislation for the boards was enacted, the federal government felt that farmers were in need of income stabilization. The idea was to protect them from the often wide

income swings associated with the gluts and shortages that characterize most agricultural products.

There is no question in my mind that marketing boards and national supply management programs are needed in this country to give our farmers an opportunity to compete with the American producers, who have lower capital and labour costs and a much superior climate for growing a wide variety of agricultural products. I am convinced that, in the broiler chicken industry, the low cost of American imports would wipe out our producers if they did not have a marketing board.

However, it is alleged that marketing boards have been costly to the consumer. Using eggs as an example, it is alleged that Ontario consumers are paying as much as seven cents a dozen more for eggs than they would if the Canadian Egg Marketing Agency did not exist. This information is being widely publicized to consumers, yet I have not seen the Minister of Agriculture and Food (Mr. Henderson) defending marketing boards other than by way of speeches he gives to groups who are already convinced that marketing boards in the long run are a benefit to the consumer.

I personally do not believe that marketing boards contribute to higher prices if one compares the price of the product under a supply management program with the price of products that are sold on a free market. That is not to say I do not think there are problems with marketing boards.

Let us look at some of the marketing boards that operate under a supply management program to indicate the reason consumers have become so concerned.

The Canadian Egg Marketing Agency is an excellent example of how supply management works. CEMA sets production quotas for each producer. It is believed that by restricting supplies the price of eggs can be kept artificially high, but this is not the case. CEMA fixes prices according to a complex pricing formula that takes into consideration the average cost of production within the industry plus a fair return to the farmer on his capital investment in farm machinery. The number of eggs produced has very little bearing on the price.

Consumers understandably become suspicious of marketing board motives when they learn of such programs as the one implemented recently by CEMA to pay farmers to kill 1.5 million laying hens, but they fail to realize there is no sense in producing eggs that cannot be marketed.

Overproduction of eggs, even if it means reduced prices, does not mean people will buy more eggs. Egg consumption has declined in Canada over the past few years, but it has fallen even more in the United States, and they do not have a supply management program.

Because CEMA takes the average production cost across the nation weighted according to province and transportation costs, the efficient producer is allegedly prevented from passing on the benefits of his low-cost operation to the consumer in lower prices.

Consumers are led to believe that Canadian egg buyers pay higher prices to help the less efficient producers stay in business. The production quota as given to egg producers becomes, in effect, an additional cost of production that is passed on to consumers. The farmer can sell his quota of eggs at a fixed guaranteed price to CEMA; so a quota value is set up that reflects the guaranteed income.

These are matters that marketing boards should attempt to explain to consumers to have them understand that some of these items I have mentioned are misconceptions.

There have been many studies of marketing boards throughout Canada, and it does become a concern when one reads such statements as, "A quota is something like a corporate or government bond; the more income guaranteed, the higher its price"; or, "A quota is like a licence to steal money; so new farmers and old expansion-minded farmers are prepared to pay a price for that licence."

Unfortunately, our future generation of farmers, if they are to buy a chicken farm, for example, will have to pay the going rate plus sometimes as much as \$20 extra per bird because of the quota system. I do not envy anyone making a profit, but I do have a soft feeling in my heart for those young people who would dearly love to get into that part of farming which is controlled by supply management.

Let us look at the milk business in Ontario. A study by the Ontario Economic Council of the Ontario Milk Marketing Board stated that an Ontario milk producer pays as much for his milk quota as he does for his cows. That is allegedly passed on to Ontario consumers, who pay an estimated 1.3 cents a quart more for their milk than they would without the board. In terms of this province's consumption, according to the economic council, that adds up to \$11 billion a year in extra milk costs.

The economic council forgets about the federal subsidy on powdered skim milk, which

was really a subsidy to the consumer. The Consumers' Association of Canada vehemently objected to the curtailment of this subsidy, but they seem to be opposed to any kind of assistance to the farmers. Let me tell the consumers, if they want an abundance and variety of high-quality food at reasonable prices, then they had better support the programs that will help the farmers produce this food.

Like CEMA and the provincial milk boards, turkey producers across Canada are given production quotas by the Canadian Turkey Marketing Agency, which was set up in 1974. My concern about turkey production in this province is that most of the production has fallen into the hands of very few producers, and it is very difficult for new producers to get into the business.

4:20 p.m.

I reiterate that marketing boards are not without their problems, but let us not forget that the primary aim of marketing boards is to give the producers a fair return on their investment. I believe the national supply agencies have done this. The main benefactor, of course, is the consumer, who can purchase the highest quality food at the lowest prices anywhere in the world.

As I indicated previously, producer costs are higher in Canada than in the United States. If we hope to compete in the food industry, then I am sure we will have to rely on marketing boards. As I said before, the chicken producers needed the supply management program if they were to stay in business. Without the board, I am convinced there would not be a broiler industry in Ontario. We simply could not compete with the United States producers.

I do not feel that the Minister of Agriculture and Food has taken a strong enough stand in defending marketing boards. As a matter of fact, I think the minister did a disservice to marketing boards by making some of the statements he did about the dairy industry in Ontario.

Admittedly, the system is not perfect, but I do not think the question is whether marketing boards are serving a purpose but whether something should be done about escalating quota values. I do not think anyone objects to producers getting together to promote and protect their interests but, with legislation delegating the authority to govern to marketing boards, the Ontario government has some responsibility to monitor and control the authority of such delegated governing powers.

We have experimented with supply manage-

ment for some years now, and perhaps the time has come to ask whether it is doing the job it was intended to do. I have always been a proponent of marketing boards but, on the other hand, I am concerned about quota values and the way they are handled at present. The restricted entry into production governed by marketing boards also causes me some concern.

Mr. MacDonald: Mr. Speaker, I was intrigued by the latter words of the honourable member who has just taken his seat. They had an echo of the statement that trade unions used to be a good thing but they have outlived their usefulness and maybe we should take a second look at them. Supply management used to be a good thing, but maybe it has outlived its usefulness and maybe we should take a look at it. That is how the member, as a Liberal, can get on both sides of the issue at the same time.

However, let me say this: This is a motherhood resolution. In the context of this Legislature, and the stated policies of all the parties, nobody is going to be opposed to it unless he is going to break with stated party policy. It is about as innovative and unexpected a resolution as if the Premier (Mr. Davis) were to introduce a resolution calling upon the Legislature to reaffirm our allegiance to the monarchy.

I suppose the obvious question is why it was introduced at this particular time. The answer, of course, is obvious. Farm marketing boards today are under massive attack. Ironically, they are under attack at a time when the worth and the need for farm marketing boards has never been more clearly indicated, particularly in those segments of agriculture where they are facing the greatest difficulty.

When we talk about pricing problems and the compounding problem of high interest rates, the two groups that are always mentioned are hog and beef producers. We are all aware that, in the instance of hogs, we have had a farm marketing board for quite some years. But it is not a farm marketing board that has any real control over prices. It just regulates the market to see that nobody is rigging or dominating it. It has no control over supply management, with the result that hog producers have found themselves, as often as not in recent years, marketing their hogs and losing money with every hog they market.

As for the beef producers, they are led by a group of people who are ideologically free enterprisers in an economy from which free enterprise has long since gone. It is as outmoded as Aunt Minnie's hooped skirt, but they con-

tinue to admire the rhetoric of it, and they now have to be reminded by the federal Minister of Agriculture and, interestingly enough, even by the provincial Minister of Agriculture and Food (Mr. Henderson) that if they want to do something about their price problem, and that is their basic problem of which the interest rate is only a compounding factor, they should exercise the power that is there for them to exercise under the farm marketing legislation in Ontario.

I therefore think this resolution gives us an opportunity to take a look in depth at the whole issue of farm marketing and what it really means, to take a look at some of the philosophic concepts. Here I may even capture the attention of my friend the member for Kent-Elgin (Mr. McGuigan), who used to be regarded as the sort of resident philosopher of the Ontario Federation of Agriculture before he moved into the nasty game of politics.

Collective bargaining to secure a fair return for the fruits of one's labour is a basic right of everyone in a free society. Traditionally, that basic right has been exercised most extensively by workers through their trade unions. Doctors and lawyers have achieved the same result through legislative powers that were really delegated to them by sympathetic governments, but today collective bargaining is widely used throughout all of our society. There is hardly a remaining segment of society that is not using it, or moving towards it, from professionals to strip-tease artists, and now we are even told the Royal Canadian Mounted Police are using it.

The farmers' attitude toward this basic right is ambivalent, if not contradictory. I want to really face this issue. Some 40 years ago they began to organize marketing boards which, for all their deficiencies, represent the only means farmers have devised to achieve greater security in their income and their marketing procedures.

In Ontario, there is a wider range of marketing boards than can be found in any other jurisdiction on the North American continent. While many of them are merely trade organizations for the promotion of their commodity, others exercise pricing and supply management powers that render them as effective a collective bargaining agent as any trade union or professional association.

Today, as I indicated earlier, farm marketing boards are under massive attack. It not only comes from the traditional spokesmen of the business world, and their partners in the editorial rooms of our newspapers, but also is being supported today ever more frequently by so-

called studies done by the academic lackeys of these people in the editorial rooms and in the business world. Unfortunately, too often, short-sighted spokesmen for consumers join this chorus of criticism.

It is significant to bear in mind not only that marketing boards have stabilized prices to both the consumers and the farmers but also that, with rare exceptions, prices of those commodities that are handled by marketing boards have escalated less than the general food index.

I am a little surprised and a little disappointed that the honourable member who sponsored this resolution quotes the Economic Council of Canada report, which was a real attack on marketing boards, accusing them of ripoffs with the result that consumers were paying hundreds of millions of dollars more than was necessary in this province.

The fact of the matter is that under marketing boards there has been less of an escalation in price for those commodities than in the general food index. The current contention that marketing boards have been responsible for a ripoff of the consuming public is a simplistic propaganda theme advanced by those who are ignorant of the farmers' experience in the marketplace, an experience that forced them to get into marketing boards to protect their own interests, or else they object to their loss of control over the so-called free market. That is the real answer to it.

The people who are critical of farm marketing boards are just critical of farmers exercising some control over their own destiny in the marketplace.

Farmers are closing ranks in defence of their marketing boards, and well they should. The battle to retain adequate public support to forestall government action designed to destroy marketing boards is a relentless one. Farmers cannot afford to alienate any major group from support of their collective bargaining rights through marketing boards.

Here is where the ambivalence, if not the contradiction, in the attitude of farmers comes right into the picture. Even though trade unions through their provincial organizations have publicly expressed their support for farm marketing boards, there is widespread antipathy among farmers towards trade unions. Its latest manifestation is the reports of bitter opposition to the proposal that farm workers should exercise their basic rights to collective bargaining.

I suggest, and I say this to my friends in the

agricultural community whose cause I have espoused since the day I entered this Legislature, that the agricultural community cannot have it both ways. If collective bargaining rights to establish the income security of the family farm and its need for orderly marketing through marketing boards are to be exercised by the farmers, then farmers cannot deny the same right to others in society, be they industrial workers or farm workers.

4:30 p.m.

In the recent kerfuffle that has emerged with regard to the possibility of unions emerging among farm workers, I was interested to find one clear-thinking farmer, Adrian Vos, a former member, I think, of the executive of the Ontario Federation of Agriculture, who wrote an article in *Farm and Country* on May 12. I am not going to digress and take a great length of time, but it is entitled "Farmers Should Welcome Labour Union." The theme is summed up in a sentence: "Following this reasoning further, the emergence of a strong farm labour union can only help the family farm to survive."

The Acting Speaker (Mr. Cousens): The member has one minute.

Mr. MacDonald: Fine, Mr. Speaker. I can do it in one minute.

Mr. Riddell: Now back to the marketing board.

Mr. MacDonald: Back to the marketing board. Well, the marketing board is their collective bargaining right. If farmers want marketing boards and if they really believe in it—and sometimes I wonder whether the member who has just interjected really does believe in it—

Mr. Riddell: I say there are problems.

Mr. MacDonald: That is right—problems to the point that they may have just about outlived their usefulness, to quote his phrase.

Mr. Riddell: I did not say that.

Mr. MacDonald: Let me sum it up this way—and I go back to the patron saint of the party of which I am proud to be a member. J. S. Woodsworth put it many years ago in his famous prayer: "What we wish for ourselves, we desire for all." If we wish collective bargaining for farmers, we are willing to grant that right to farm workers or anybody else. An acknowledgement of this ultimately may be the only means of maintaining adequate public support from all sectors of society so as to protect farm marketing boards from the attack that is mounting every day.

Mr. Stevenson: Mr. Speaker, agriculture is a very large basic industry. In a modern industrial society, a basic industry tends to be dominated by a fairly small number of large companies. These companies are large enough to influence the market for their products to a very considerable degree.

In our economic system, up to a point this is an accepted principle of doing business. Every company, whether it purveys something as basic as food or luxury items such as cosmetics, does its best to secure as much of the market as possible and to ensure that the market for its products is secure. Without this kind of behaviour, a business could not do any long-range planning, could not make a profit and might go broke.

It is not only businesses that behave this way; skilled labourers and professional people do this also. They band together in unions or associations to market their skills and to give themselves a larger voice in the protection of their income. If they did not take steps to ensure a fair income for their services, their economic situation might also suffer.

Attempts to make the marketplace a secure place to do business, together with attempts to ensure a reasonable income for an investment of time, labour and capital, are hallowed hallmarks of our economic system. Considering all these facts, I am amazed that farmers are singled out as some kind of economic monster when they attempt to do the same thing.

As I said a moment ago, agriculture is a large basic industry. But it is unique in that it is carried out by 70,000 individuals and their families. Agricultural production is not dominated by a few large companies. Farmers represent 70,000 small businessmen and women. They need the same kind of market security that large companies need, and they need the same kind of income security that individuals need. Therefore, many of them band together in organizations frequently based on a single commodity or a group of commodities. This is not surprising, or it certainly should not be: people with common interests frequently band together to accomplish an end.

Farm organizations range all the way from fairly loose groups to formally organized ones, such as the marketing boards which are the subject of this debate today. Farm businessmen have literally billions of dollars invested in land, equipment, livestock and buildings. They must spend millions more in input costs. In today's world this is the price of doing business as a farmer.

The product they produce with all this investment is the food we eat every day, three times a day if not more often. They have a great deal to lose, and so do we, if their attempts to secure their markets and their incomes fail. Marketing boards are frequently accused of contributing to increasing food prices. The public is concerned about food prices and rightly so, but it is not the marketing boards which have fueled price increases.

I would like to review a few statistics which were referred to a few minutes ago to refresh members' minds about the cost of living in the recent past. I believe the comparisons between 1975 and 1980 are instructive. I will use the consumer price index which is based on 1971 as 100. In the five years between 1975 and 1980, all items in the index increased 52 per cent, from 138.5 in 1975 to 210.6 in 1980.

For the food items, the increase was more pronounced. The food section of the index rose 61 per cent, from 161.9 in 1975 to 260.6 in 1980. Chicken, for example, increased by only 38 per cent as compared to 61 per cent for the food component as a whole. Eggs rose by 34 per cent, fluid milk by 43 per cent, turkeys by 46 per cent and other dairy products by 51 per cent.

The products I have just listed are those covered by supply management boards. Every one of them rose at a rate substantially lower than the food figures generally. Fresh fruit on the other hand, much of which is imported during Ontario's off season, rose 100 per cent. Coffee, which is entirely imported, rose 200 per cent.

This House has heard recently of the troubles being experienced by pork producers. I would like to point out pork producers are suffering from the inability to secure their markets and to keep their incomes level with their costs. They are losing money. The pork board has done just about everything a forward looking organization can do to alleviate the situation short of supply management. The pressures of a relatively free market system, which include variations in United States production and supply, are making it impossible for our pork industry to make any return on investment. This situation can go on only so long.

Look at the situation from the point of view of per capita income. Between 1975 and 1979 the per capita income in all Ontario industry rose from an average of \$6,596 to an average of \$9,608. At the same time the realized net income per farm in Ontario was dropping from just over \$8,000 in 1975 to \$6,200 by 1980. This

drop was caused mainly by increased operating expenses and depreciation on buildings and equipment, two items that no farmer, no matter how efficient or innovative, can really do much about.

I would like the members of this House to consider these figures for a moment and I would like them to ask themselves how many people in other parts of our economy would have settled for a drop of that magnitude or indeed a drop at all in their net income.

The input costs are interesting to consider. Gross farm receipts went from \$2.7 billion in 1975 to \$4.3 billion in 1980, but operating expenses and depreciation went from \$2 billion to \$3.9 billion. In other words, a farmer must spend a disproportionate amount of what he can earn in the marketplace on supplies, equipment and services. All farmers are suffering from soaring costs but those handling it best are those whose products are under supply management.

4:40 p.m.

The other major backbreaker in agriculture at this time is interest rates, and of course it is not only farmers who are suffering. Some of our other necessary industries are being endangered and many consumers are hard hit, but few individuals operate at anything like the scale of a farmer. In total, Ontario farmers averaged \$2.1 billion in debt outstanding from chartered banks in 1980. The total farm debt in Ontario is \$4.1 billion, which is just about the same as the farm gate receipts for the year I was talking about.

At the moment, the egg marketing board is updating its pricing formula. There is considerable work going into looking at marketing boards and so on, and certainly marketing boards try to keep up to date and keep things moving well. There is never a shortage of experts—self-appointed or otherwise—who would like to take a crack at marketing boards.

Mr. McKessock: Mr. Speaker, it is a privilege to rise in support of this resolution which is supporting producer operated marketing boards.

Although this resolution does not specifically mention supply management it indicates it does refer to it. I know there are some marketing boards without supply management that tend to do a reasonable job, but my feelings are that only with supply management do they do an adequate job.

Why marketing boards and supply management? Marketing boards and supply management are not only for the producer's benefit but

for the consumer's benefit as well. Lately the Economic Council of Canada and the Consumers' Association of Canada have made some statements. One of the previous speakers said one was for and the other against marketing boards and supply management. My feeling is that the reports that have been coming out in the papers tend to make some damaging statements when they refer to marketing boards and supply management—if anyone was gullible enough to believe what was said.

I believe most consumers are intelligent enough to know food prices in Canada are at present the lowest in the world, next to the United States. Food prices take a smaller percentage of disposable income now than has been the case in any other time in history.

I believe most consumers want a continuous supply of good quality food at a reasonable price. Marketing boards and supply management will do this and at the same time give the farmers a reasonable return for their investment, labour and management. Marketing boards do not guarantee the farmer a living, but if he is an efficient producer he will be paid for his efforts. If he is inefficient he will go broke. Marketing boards and supply management are somewhat the same as union contracts, although I do not feel farmers get quite as good a deal.

The worker offers so many hours of work for so many dollars per hour. The farmer offers a product for so many dollars. Two people do not show up at the factory in the morning and say, "We will both work here today and split our wages." So why should the farmer offer two steers or two quarts of milk to the public in place of one and say he will cut his price in half?

There is one difference between unions and marketing boards in setting price. Unions negotiate, whereas marketing boards take into account the cost of production, input costs, labour and a little for management. Marketing boards set price by the cost of production. Then this price has to be approved by the government.

I am a supporter of supply management and marketing boards partly because I worked under the Ontario Milk Marketing Board as a milk producer for 15 years, partly because I am now a beef producer with no marketing board and supply management system, and partly because I do not want to see the family farm disappear, as I am convinced it will if the farm products not now covered by marketing boards and supply management do not establish this system shortly.

I want to point out how vulnerable the family

farm is at the present time if its products are not covered by a marketing board and supply management. I think of vulnerability especially in regard to high interest rates. Within the last month I visited a company in Toronto that employs about 150 people. I said to the manager, "These high interest rates must be affecting you pretty badly," and he said: "Not really. We can work it into our prices." It is different when it comes to the farmer. He has trouble working this into his return price.

I do not have much time left, but I would like to quote from an accountant at Ward Mallette who wrote an article stating, "Farms May Not Survive High Cost of Borrowing." He points out: "Now in almost all farming operations the revenue-to-asset ratio is extremely low in comparison with other businesses. In farming a lot of money is invested to make a little, comparatively speaking. This revenue-to-asset ratio is normally as low as one to five or one to 10 in farming. In other words, farm assets worth \$1 million might produce only \$100,000 or \$200,000 in revenue, whereas in other retail businesses it might be on a one to one or even a two to one ratio."

It is important that this issue of marketing boards and supply management has been debated today in the light of the recent statements made by the Economic Council of Canada, and in view of the present farming situation and the fact that if the family farm is going to survive, more marketing boards and supply management systems must be set up in the future.

Mr. G. W. Taylor: Mr. Speaker, in reply to the many comments made by the members around here, I am pleased the member for York South said this was a motherhood issue, because that is what this resolution is about. It is about our country, our mother earth, and it is one of those basic items that keep our families fed and our agricultural workers working and the family farm together. Because this motion has now been on, I think, three Thursdays and has finally arrived, I was pleased to see the member for York South was finally able to read his press release this week, although it went out last week.

I would also like to emphasize what he said about supporting marketing boards. This resolution certainly does support marketing boards, which support is very important today because it is so crucial. It gives us an opportunity to debate and support what marketing boards do, what the farmers involved in those marketing boards do, what the people, what the legislation

and what our cabinet ministers and this government do in support of marketing boards. It gives us the ability to air our comments on it when it is such a topical item.

The member mentioned that I quoted from the report of the Economic Council of Canada which he indicated was a damning report. It was a damning report as interpreted by the media. But when one gets down to reading through the different details in the report, it was not as damning as it is made out to be. That is why I quoted a couple of passages from it. It talked about fine tuning and making some changes, but not about throwing the boards out. It said they were not ripping off the public, but that they were very necessary and needed by the farmers and by the agricultural community.

4:50 p.m.

Indeed, I chose one sentence which I did not read before but which I found very interesting. It is on page 62 in the agricultural section, after they go on for a number of paragraphs about marketing boards: "Recognizably, the estimates reflect certain assumptions that some would debate." I think that is a damning comment in itself. They go about making certain assumptions and then they say some will debate those assumptions, the very basic assumptions on which they are stating their premise.

The report is probably going down on both sides of the issue, yet it allows an airing, it allows a comment, it allows discussion of a very important topic. I think that is the opportunity this forum and private members' hour provides in this Legislature and one we should not reduce in any way.

I am sure if the member for Northumberland (Mr. Sheppard) had an opportunity to talk, he would have discussed the milk marketing boards and the information and experience he has had with them in greater detail. I am sure many members in the House would have had that opportunity. Indeed, regarding comments made about our own Minister of Agriculture and Food, he is the one who has been pressing the federal government to make some of those changes. The Economic Council of Canada stresses and emphatically states that the federal operations, the egg boards and the milk marketing boards, are the ones with the greater problems. If the quotas were put out more equitably we would have a better and greater product and it would be more help to our farmers.

When they compare them here, they say Ontario boards are running fine. They give

credit to the Ontario boards. There again, our Minister of Agriculture and Food has supported farmers and the marketing boards. I think he will continue to do that and achieve great success for our farmers and marketing products so that the consumer can get the best product.

NON-UNIONIZED WORKERS PROTECTION ACT

Mr. Haggerty moved second reading of Bill 57, An Act respecting the Rights of Non-Unionized Workers.

Mr. Haggerty: Mr. Speaker, I move second reading of Bill 57 in an attempt to bring to the attention of the members of the Legislature the fact that our labour legislation carries a degree of discrimination which affects about 70 per cent of Ontario's work force. They have no redress or protection against unjust dismissal, or developments relating to the aspects of job security, layoffs and disciplinary action. The majority of Ontario workers have no access to the Ontario Labour Relations Board in respect to the employee grievance hearings.

Section 2(1) of the bill regarding a complaint to the Ontario Labour Relations Board states: "Where an employee who has been discharged or otherwise disciplined for cause by his employer is of the opinion that the penalty is unduly harsh and where the employee's contract of employment is not governed by a collective agreement under the Labour Relations Act and does not contain a specific penalty for the infraction for which the discharge or other discipline was imposed, the employee may file a complaint with the board."

The principle of this outline is in no way an attempt to create a union-free environment, but to provide a process in labour relations to protect workers in Ontario against unjust dismissal or harsh disciplinary action on the part of employers and management.

I believe non-union workers have for too long been ignored by the government of Ontario. All workers in Ontario in an employee-employer dispute should receive substantially the same judicial opinion that has been afforded through arbitration in the union sector in relation to a grievance. Non-union employees must be provided with such a procedure.

The majority of employees in the non-union sector find their employment is conditional on management, personnel policies and, hopefully, job security. I am also aware that the majority of employees do have good working conditions. Dofasco can be considered in that category.

Atlas Steel in Welland and John Deere are non-union firms, but some firms have an association or a group of employees who may well be considered to be company unions or an agency used for communication between management and employees. Many firms are considered good corporate citizens providing excellent worker-management relations. There are some firms that use collective bargaining procedures in the event of layoffs or cutbacks or in areas of disciplinary action.

One could hardly find fault with that principle, but on a number of occasions I have received complaints from individual employees that this is not so. They have been dismissed for no reasonable cause. For example, an employee working in an industry was discharged in a disciplinary action for reasons he believed were not related to on-the-job performance.

The parties were attending a sports event. As the game became more exciting, fans became more involved in supporting their favourite team. In the excitement, a dialogue between employees in the same industry, one from management and one from the assembly line, entered into a quarrel and eventually an assault occurred.

When management was informed of the matter, the assembly line employee was discharged. The discharged employee found he had no recourse for a grievance hearing. The Ontario Labour Relations Board deals only with a union that has been certified as part of an employee bargaining unit.

The Ontario Liberal-Labour Task Force which held hearings in many sectors of Ontario in the summer of 1980 received numerous complaints from employees in non-union establishments who felt they had been dismissed or discharged without just cause. In some cases they were discharged on presumptions or hearsay of another employee on matters not related to job performance or on matters not related to his or her employment responsibility. Because these employees were not members of an employee bargaining unit, they were denied entitlement to a grievance hearing before the Ontario Labour Relations Board.

I wonder what those ex-employees think of the Tory theme, "Help keep the promise." Are there any equal rights to employment opportunities in Ontario? I question that; I doubt it. It may well be many companies have an open-door policy under which a worker can take his or her grievance to top management. This procedure may bring to the attention of man-

agement that a problem exists, but it often does not alleviate an employee's fear of retribution for his or her complaint.

Is it reasonable and fair that employment practices for all workers in Ontario be governed by the same rules in relationship to just-cause principles? The majority of other jurisdictions do have guidelines established to cover areas of concern in labour relations. The standards or rules applicable to employees must be clear. The penalty for infraction must be clear. The standard or rule must be reasonable. Proof of misconduct must be adequate and investigation must be fair. Discipline must be applied to employees in a nondiscriminatory manner.

Recent amendments to the Canada Labour Code have a similar type of legislation which I have suggested we should accept this afternoon. Arbitration has become the appeal form for raising issues, because just-cause protections are becoming increasingly noticeable in employees' complaints.

The amendments to the Canada Labour Code add credibility to the purpose of my amendment. Protection against unjust dismissal or complaints arising out of a layoff resulting from lack of work or the end of a job operation may be considered under the unjust dismissal provisions of the Canada Labour Code.

Bill 57 provides measures to establish the procedure of the Labour Relations Act for adjudicating employees' complaints on the grounds of discrimination and improper dismissal or in other areas in which he or she may feel a grievance in a labour dispute.

The bill provides a two-stage process for reviewing complaints involving harsh discipline. Initially, a labour relations officer would be appointed to effect a settlement which would be reduced to writing and which would have to be complied with according to its terms. Then if no settlement is reached or a settlement is not likely, the Ontario Labour Relations Board would inquire into the matter. If the board is satisfied the complaint is justified, it will have the power to make an order substituting such a penalty as is just and reasonable in the circumstances.

I find the bill is a reasonable one. It will provide an opportunity for a number of non-unionized employees in the province who need this type of protection in employment. I suggest all members consider it this afternoon. I hope they will all support it, because I feel in a number of cases many persons in Ontario do not want to become part of a union.

5 p.m.

The Deputy Speaker: The member has approximately 12 minutes. Would he like to reserve that time for the end of the debate?

Mr. Haggerty: Yes, I will have something to say after the other members.

Mr. Mackenzie: Mr. Speaker, I rise to speak on Bill 57. I am not going to oppose it. We will support it, but the best I can say of it is that the intentions appear to be good. It is an effort to provide some protection, some avenue of appeal, some grievance procedure. As far as I am concerned, this is an admirable objective. For that reason I am going to support the bill, although I do so with very grave reservations. I want to point out some of these and I trust the member who introduced the bill will give them some thought. I make that statement of support right at the beginning of my comments because if I spend any great amount of time on my reservations I might not be able to come back to that position again.

During my first year in this House, 1975-76, I considered such a bill based on some substantial individual injustices that were brought to my attention by workers who were not fortunate enough to have a trade union to represent them. I spent more than a little time thinking about the possibilities of the legislation. I went so far as to talk to the legislative counsel about such a bill. I also talked with an awful lot of my colleagues at the Canadian Labour Congress and Ontario Federation of Labour, within my own union of Steelworkers, and a number of other unions as to what the implications were of such a bill.

I also took the trouble to check into the realities of the federal legislation where they do have such coverage; at least I was led to understand it covered the workers under federal jurisdiction who were not covered by the protection of a union. I do not know whether the member took the trouble to do this kind of checking with some of the union people, some of the people who have been handling the federal legislation and some of the results of it. Neither do I know if he took the trouble to monitor some of the cases. For about six months I had them send me a copy of every case that was raised under the federal legislation. He may have some of them. I took some trouble to look at them and they say a number of interesting things.

I ask the mover of the motion whether or not he did that kind of careful checking, because I see he has his perennial Bill 58 on the Order Paper as well. He and I obviously disagree on that. I see that as nothing short of Taft-Hartley

legislation. It may have some support from a few members in his own area but it is almost universally opposed by the trade union movement right across this country. I think it would be very dangerous legislation. I am rather surprised to see it coming from the Liberal Party.

For one thing, I do not believe the bill begins to take into account the personnel numbers, training and the cost that might be involved to the Ministry of Labour if it took over the responsibility of basic grievance procedure. It would be feasible if it was discharges alone, I suppose, but the bill does say other unjust situations. I am not at all sure that does not really mean wherever an employee who is not covered by a union feels he has been unfairly done by he has the right to use this mechanism. That could happen if workers took advantage of it.

I will go into that in a minute. I do not think they are going to take that much advantage of it, but it could mean we are going to have substantially expanded staff in the Ministry of Labour.

There is the serious question of whether any thinking or caring worker would really want the responsibilities for individual grievances—because this is what we are talking about in this bill—“transferred over” or “conferred on government”; that also raises very serious questions in my mind and establishes a precedent that worries me. I am not sure I want the Ministry of Labour involved in handling individual workers’ grievances on an ongoing basis in plants wherever they do not have a union.

Surely the mover of the bill is not suggesting that highly trained, highly paid conciliation and arbitration officers would be saddled with this kind of basic grievance work. I am just not sure of the implications or ramifications of this particular bill.

I also get a little bit of a kick out of wondering about the additional employees who would be involved—and if workers took advantage of the bill there is no question that we would need a sizeably increased government staff. I usually hear the less-government line, not the more-government line, from the Liberal benches.

The facts are that the procedures suggested by this bill could very well undermine the efforts to organize the unorganized workers in Ontario. And it is a difficult job; it is not easy to begin with, to carry out organization, especially in a situation in which fear exists, as it does in some of the smaller plants. There is also always a

danger of institutionalizing a false sense of security for unorganized workers, because they may think: “Hey, you do not need a union. You can go to the Ministry of Labour if you feel you have been unfairly dealt with in your job.”

The potential of undermining the efforts of the legitimate trade union movement to organize workers is a real one. A one-time entry by a Ministry of Labour officer into a dispute, minor, medium or serious, without the follow-up monitoring that one gets from a local union with its steward bodies or its executive, leaves the worker who complained even more susceptible to open, overt or subtle harassment by the management. And let me tell the members that it does go on; it goes on even in some cases where there is a union shop. But usually the mechanism is there to monitor it and protect against it, and one has the right of additional grievances if one feels that one is being harassed.

Without a union, without the recognized grievance procedure and without the various committees—safety and health is a classic example—there is no ongoing protection on the job even if there was success in the original complaint of the worker.

We could say, of course, that one could launch another and another grievance through this mechanism. But let me tell the members that my experience—and I have worked in both union and non-union shops in my day—is that a union is one heck of a lot better. If they want to harass you and do a job on you they can do it when you do not have the protection of a union.

What does this bill do to the cost that might be necessary to establish a grievance—things like lost time for fellow workers, for example, if they are needed to prove a case in a hearing? Is that also charged entirely to the Ministry of Labour? What protection would there be in this bill for any third parties who might have to be involved in establishing the fact that one does have a legitimate case? I do not see it covered in the bill, and I can see that as both a problem and an additional cost factor.

Further, is the member who is moving the bill aware that in many cases—for example, in most of the cases I looked into that came before the federal Department of Labour over a six-month period—before the case ever went to that federal officer the complainant, to see if he had a case and to see how he would handle it or how he could prepare it, ended up going to one of the established unions there or to a lawyer—and there were cases in Windsor that we used as cases in point.

I was surprised in going over the cases at how often this happens. As a matter of fact I called brother Monaghan and brother Brooks, before he had his unfortunate accident—this is going back several years—a couple of the staff people in the United Auto Workers office. I asked them if they were getting any complaints from workers who are not fortunate enough to have a union and who have either been discharged or had some other penalty they felt was unfair imposed upon them.

I was surprised to find that they had dealt with a number of such cases. I do not know of one that was turned away, but I sure got some grumbling. In one particular case that I recall we followed through, some three or four hours of preparatory work were done in advance by the union staff person. They sure as hell undertake a lot, and they are usually proud of community activities in a number of areas. But servicing unorganized workers to that extent when they cannot follow through to the end result in any event is certainly not their job or responsibility.

The workers who had the complaints were having to establish if they had a case. How could they do it? How did they present a case to have some chance, even to the Ministry of Labour people? They were going to the already organized trade movement or to lawyers, and when they went to lawyers there was a substantial cost involved. Usually there was no cost; certainly in every case where they went to an already established union or to some of its officers or staff people there would not be a cost. But we found that in most of the cases where this route was taken under the federal legislation, they had to go, as I said, to a lawyer or to the trade union movement before they ever started it.

5:10 p.m.

The Deputy Speaker: Time, Mr. Mackenzie.

Mr. Mackenzie: I will finish up, Mr. Speaker. They were already doing this kind of work. Is the member suggesting that even more workers with their problems from unorganized shops should be loaded on the backs of those who have had the gumption and the determination to organize a shop? How long are we going to have workers riding on the backs of others and not accepting the responsibility of actually getting in and organizing in that shop?

In conclusion, it is only because some workers do not have the strength to organize—and there is some pretty nasty management—that I give any credence at all to a bill such as this,

which, while it might help in some individual cases, also threatens at least to undermine the already onerous job of labour organizations and of organization and certification.

Mr. Robinson: Mr. Speaker, I am pleased to enter the debate on Bill 57, the Non-Unionized Workers' Protection Act, but I believe it is a classic example of an old problem: excellent intentions marred unfortunately by a poorly conceived solution. The proposed solution is so poorly conceived that, despite its excellent intentions, I am compelled to oppose this bill.

Bill 57, as I read it, contains a number of hidden costs both to our system of labour relations in Ontario and to the public in general. The member for Erie (Mr. Haggerty) seems to have made no effort to avoid these pitfalls and may have ignored the experience of other Canadian and overseas jurisdictions with similar types of legislation in place now.

Let me begin by outlining the main provisions of Bill 57, as I understand them. Any non-unionized worker who feels himself or herself the victim of unjust dismissal or of unduly harsh disciplinary action on the part of his or her employer may lodge a complaint with the Ontario Labour Relations Board. At this stage a two-tier review procedure begins. First, a labour relations officer is appointed to attempt to negotiate a settlement. Second, if no settlement is reached, the labour relations board may hear the case again and whatever penalty or compensation it deems appropriate is applied.

The bill says any employee—presumably even one with no seniority at all—who may have been hired one day and fired the next, may use this complaint procedure. Further, it provides no mechanism whereby the board may dismiss frivolous, repeated or otherwise unwarranted complaints. Additionally, the bill specifies that, if the employee's contract contains definite penalties for infractions leading to discharge or disciplinary action, then the employee may not file a complaint with the board. That, in essence, is my interpretation of Bill 57.

Turning to some of the specific problems of implementation, I think there are some that would quickly arise if the bill is passed. There are approximately 2.5 million non-unionized workers in this province. This is a massive clientele that the member for Erie is attempting to serve. As I mentioned earlier, there is no restriction specified regarding the seniority or length of service of the worker involved. This stands in direct contrast to the legislation of the three Canadian jurisdictions that now provide protection from unjust dismissal.

In the federal service, the provisions of the Canada Labour Code extend only to workers who have at least one year's service. In Quebec, the minimum service requirement is five years. In Nova Scotia, protection is extended only to workers with at least 10 years' service. Clearly, each of these jurisdictions thinks it is wise to exclude temporary workers, casual workers and workers who have been hired on an initial probationary basis from their particular complaint procedures.

Quebec, and especially Nova Scotia, would seem to be working under the philosophy that only long-service workers should qualify for this sort of special protection. Bill 57, though, seems to have no such philosophy. It contradicts the experience of these other Canadian jurisdictions, and the already heavy caseload of the labour relations board would be greatly increased, because the member of Erie seems not to have seen fit to benefit from this previous experience.

Another example along the same lines is that this bill covers disciplinary action, such as fines, suspensions, reprimands and so on, as well as the basic issue of dismissal. Here too, it seems the member for Erie is breaking new ground, for no other Canadian jurisdiction attempts to protect workers from all the forms of disciplinary action short of dismissal. They confine themselves simply to cases of alleged unjust dismissal. In other words, Bill 57 seems to again ignore the experience of Ottawa, Quebec and Nova Scotia. I believe the result would be a further augmentation of the workload of the Ontario Labour Relations Board.

One more point is that the Canada Labour Code gives the federal Minister of Labour the power to dismiss cases beyond the scope of the code or those cases that appear to be either frivolous or unwarranted. This screening method greatly streamlines the federal procedure and as a result of that, I am sure, gives a great deal of satisfaction to those people who have bona fide complaints. They are able to separate one from another and not be necessarily tied in by time to those which perhaps should not be brought before the board.

However, Bill 57 seems to contain no such screening procedure. It does not take much imagination to foresee a situation, should this bill be passed, where all sorts of cases beyond the intent of the bill would be referred to the board, the provincial Ombudsman or to the courts.

I have tried to list three of the major problems that I see with Bill 57, problems that do not take

into account the experience of other jurisdictions with similar types of legislation and would greatly add to the case load of the Ontario Labour Relations Board. How would the board handle that extra work that it seems the member for Erie wants to foist upon it? Bill 57 is remarkably silent on that point, but obviously more labour relations officers would have to be hired and the bureaucracy of the board, if I may use that term, would have to be greatly expanded.

I want to dwell on this point for a moment, because it is equally obvious that the ordinary taxpayers of Ontario would be asked to bear the brunt of these additional costs. Again, I look at the experience of other jurisdictions, something the member may have overlooked in his preparation of this bill.

In Britain, the Employment Protection Act contains provisions protecting workers from unfair dismissal. The British experience shows that if we pass Bill 57 we could expect a complaint rate of one complaint for every 600 workers.

With a bit of extrapolation, I am sure the member would realize that we can estimate that this bill would generate more than 4,000 additional cases for the Ontario Labour Relations Board each year. This in turn would mean that some 30 to 50 additional labour relations officers would be required for investigation purposes alone. We would require 30 to 50 new officers, and that does not even speak to the matter of how much additional support staff would have to be behind those individuals.

I do not suppose there are many members on either side of the House who are surprised to find that Bill 57 totally ignores these important considerations. We are all aware that it is Liberal policy not to discuss details such as how much it will cost or how they will attempt to pay for it.

Meanwhile, it has long been the Liberal policy, and still may be, that the provincial budget must be balanced at the earliest possible time. Various Liberals have been quoted all over Ontario saying that, "Every ministry, every agency will have to pare to the bone." That particular quotation, that gem, comes from the Leader of the Opposition and was made in the city of Kingston.

I must say it is fascinating to see that the member for Erie's idea of paring the Ontario Labour Relations Board to the bone is to add 30 to 50 additional officers plus a support staff to go with them. All of this seems to be without the

benefit of any public discussion of this new expenditure or any proposition as to where the money may come from otherwise. They cannot have it both ways; they cannot advocate paring every ministry to the bone and, on the other hand, propose massive new expenditures for the very agencies that they would have us restrain.

Let me read for the member for Erie a question his colleague the member for London Centre (Mr. Peterson), who is the Liberal Treasury critic, asked during his reply to the budget a few days ago. The member for London Centre said:

"We have to ask the basic question: Where will we get the money? There are only two choices. One is to tax higher . . . the other is to go to the public marketplace in the future to borrow those moneys and to start squeezing it out of private enterprise."

I think the member for Erie should answer his colleague's question and tell the people of Ontario exactly where this money is going to come from.

In the basic tradition of our parliamentary democracy, none of us in this chamber opposes the principle of protecting the rights of non-unionized workers. To the extent that this is trying to solve this problem, the member for Erie is to be congratulated. Unfortunately, in my respectful opinion, he has gone about trying to deal with the issue in a rather haphazard manner, showing that he may not have had the benefit or not have profited from the experience of other senior jurisdictions.

In addition, he is effectively proposing a major expansion in the Ontario Labour Relations Board, again without a great deal of guided discussion on where the funding for it may be found.

For these reasons, with respect, I shall oppose Bill 57.

5:20 p.m.

Mr. Wrye: Mr. Speaker, I rise to offer a few remarks in support of this much-needed initiative which has been raised by the member for Erie (Mr. Haggerty). Before explaining some of the reasons I support the legislation, I want to deal with some of the comments that have been made by the two previous speakers.

I want to start out with the comments by the member for Scarborough-Ellesmere (Mr. Robinson). For the last 10 minutes he has told us he supports the principle of the legislation, but then has run around trying to find excuses why he cannot vote in favour of it. I think the main thing he has proved in the last 10 minutes is why he is a Tory.

I say to my friend, do not go away. I do not think the member should be going away, because I was going to tell him how he could get that money for the added labour relations officers. If we were to pare off some of the "communications officers" from the rolls—they are the PR flacks for the government—we could come up with some money pretty rapidly.

In addition, if we were to cut back on the money to the pulp and paper industry, we could come up with more than enough money to protect the unorganized workers in this province. But I do not think the member for Scarborough-Ellesmere is really very concerned about the unorganized workers. I suspect he is probably not terribly concerned about those who are organized.

I do want to say a word or two about the speech by the member for Hamilton East (Mr. Mackenzie). While I share his concerns that the advent of this kind of policy to protect the unorganized might have some dampening effect on organizational efforts by the trade union movement, on balance I think the trade union movement can stand on its own two feet. It can and does offer the workers very many positive advantages in joining the trade union movement. I do not think workers will be deterred from joining a trade union and given the extra protection of grievance rights from their own union by the fact that they can obtain some grievance rights through this legislation.

I want to mention the problem of ongoing harassment raised by both speakers. There may be some concern on that score, but surely the stepping in of the labour relations board on those occasions when it is deemed necessary is certainly an advantage to the holus-bolus dismissal, discipline or whatever that now goes on all too often with non-unionized workers.

I want to relate to the House an experience I had shortly after becoming a member of this assembly. A young lady in my constituency approached me with a story that she had been dismissed by one of the department stores in Windsor, Woolco by name. She was a permanent part-time employee and had been for some two years. She had never had a blot on her record—never a verbal or written reprimand.

One day, in a fit of pique or whatever, her boss simply dismissed her. This is a young person going to university. This is the kind of person this government is going to need to pull it out of the economic depths it has got this province into. This is a very articulate, intelligent university student who is paying her way

through. One moment she has a job and the next moment she does not. In the next moment she has no money, no way to go to university.

She made the choice not to return to the job, but we have removed that blot from her work record, because it was unjustified. In dealing with the superiors of the manager, I was able to easily convince them it was unjustified. She has been allowed to terminate her employment voluntarily. She was given extra severance pay and she has received a letter of recommendation.

Had she not had an MPP or had she not had, as the member for Hamilton East mentioned, the trade union movement, which often has to handle the case load here—

Mr. Foulds: Even if she had an MPP like the member for Scarborough-Ellesmere.

Mr. Wrye: If she had called the member for Scarborough-Ellesmere I think she would have run out of luck.

If she had not had that, her working life would have started with the stigma of dismissal, unjust as it might be. It is absolutely shameful that we do not have any means to protect unorganized workers, because not every plant, not every shop, not every store, not every office is going to be unionized, much as the trade union movement would will it otherwise. We must have some protection in place for those workers who do not enjoy the benefits of the trade union movement.

I understand that. I was dismissed during the election campaign, and I currently have a grievance. I had the benefit of the trade union movement, and I am sure when we reach arbitration we will be successful. But, had I been a non-union worker, what would my protection have been? I could go to the courts, and that would drag out for years on end. I think this kind of legislation is needed.

Through our debate and discussion today, I hope the Minister of Labour (Mr. Elgie) will look at once again adding to the labour policies of Ontario and will put us back in the forefront. I might make mention that the member for Scarborough-Ellesmere said, "Ours would go much further than the legislation at the federal level, in Quebec or in Nova Scotia."

As he detailed what was in the legislation—and I am sure the member for Erie knows this—the legislation is simply inadequate and that is why, in preparing this legislation, he went far beyond that to get us far more advanced than those other jurisdictions. To complain that Ontario

should never be a leader, as this government always does, is hardly an excuse for not supporting this legislation.

I want to close by saying I hope the members on the other side will allow this bill to come to a vote and, when it does come to a vote, that they will give it their support. I am pleased to hear that the member for Hamilton East, in spite of his reservations, will support the principle of the legislation. I hope the rest of the members of his party will follow. For my part, I intend to vote in favour of this bill and offer it my support.

Mr. Renwick: Mr. Speaker, I want to speak briefly for about 10 minutes on this bill this afternoon. A bill like this always makes me uneasy. I am certain it is for the same reasons expressed by my colleague the member for Hamilton East because, although I was not able to be here when he spoke on that bill, we discussed the bill prior to his speaking today.

The commitment, the concern and the uneasiness is very simple. The hard-fought and hard-won rights of organized labour were fought and won at a great expense in this province over many years, and I become concerned when by acts of this Legislature we confer on everyone else the benefits of that fight without the fight and without the cost.

Let me go back a little. The Conservative government, shortly after it was elected in 1943, on behalf of the employers and on behalf of business in the province negotiated with the labour movement a sort of treaty of peace by bringing in the Labour Relations Act. It is quite clear it was not acting out of any love for labour when it brought in the Labour Relations Act. It brought it in as its way of effecting something it called industrial peace in the province. The collective agreements negotiated prior to that act and after that act came into force represent fights made by labour to obtain benefits for their workers.

5:30 p.m.

The member for Erie, who introduced this bill, knows that as well as I do. He says, "Why shouldn't every employee have a grievance right?" Who can fight against that? Of course every person should have a grievance right. However, the member for Erie does not understand that the guts of a grievance procedure is to shift the onus to the employer in the case of alleged improper discharge, hardship or penalty imposed on the employee. I think section 40(a) of the Labour Relations Act does that. The member's bill does not do that. It is a very serious flaw. It makes it almost a patsy bill.

I want to get on to the next part of it. The courts are not an adequate remedy for the ordinary employee with respect to damages for hardship which he may suffer because of unjust treatment by his employer. I agree with that. It is totally inadequate.

Let me very quickly refer to the way in which the matter is dealt with in the United Kingdom. In 1963, when they were dealing with the same vexed question of notice to employees on plant shutdowns, when workers were in grave danger of becoming redundant, they passed a bill called the Contracts of Employment Act. Let me refer, if I may, to the pertinent provisions of that bill. At least if we are going to go that route, let us do it well. This is certainly a model that could be considered. I am not saying it is perfect or that it applies to all our situations, but at least it is a model.

In the United Kingdom, not later than 13 weeks after the beginning of an employee's period of employment with an employer, "the employer shall give to the employee a written statement identifying the parties, specifying the date when the employment began and giving the following particulars of the terms of employment as at a specified date, not more than one week before the statement is given; that is:

"(a) the scale or rate of remuneration or the method of calculating it;

"(b) the intervals at which remuneration is paid; that is, whether weekly or monthly or by some other period;

"(c) any terms and conditions relating to hours of work, including any terms and conditions related to normal working hours;

"(d) any terms and conditions relating to: (1) entitlement to holidays, including public holidays, and holiday pay, the particulars given being sufficient to enable the employee's entitlement, including any entitlement to accrued holiday pay on the termination of employment, to be precisely calculated; (2) incapacity for work due to sickness or injury, including any provisions for sick pay; (3) pensions and pension schemes; and

"(e) the length of notice which the employee is obliged to give and entitled to receive to determine his contract of employment."

It goes on further to state:

"Every statement given to an employee under subsection 1 of this section shall include a note:

"(a) indicating the nature of the employee's rights under section 5 of an appropriate industrial relations act which relates to the rights of workers in respect of trade union membership

and activities, including where an agency shop agreement or an approved closed shop agreement is in force which applies to him the effect of that agreement on those rights;

"(b) specifying by description or otherwise"—and I wish my colleague the member for Erie would listen to this—"a person to whom the employee can apply for the purpose of seeking redress of any grievance relating to his employment and the manner in which any such application should be made; and

"(c) either explaining the steps consequent upon any such application or referring to a document which is reasonably accessible to the employee and which explains those steps."

It seems to me that, given that one cannot vote against a bill that says every worker should have a grievance procedure to try to settle and adjust grievances—one cannot vote against that—given that, let us at least go in the proper direction and require an employee at the commencement of his employment to be given a clear and concise statement covering a number of those items I listed, which is the contract of employment. This way one starts out clearly understanding all the terms and conditions. That would be of immense help to everybody. Then, as it states in that, the grievance procedure to be followed should be specified.

I think the labour relations board should not be dealing with matters not related to organized labour. I believe—with one single exception—it does not deal with anything else. I am reluctant to have it given this other jurisdiction. The grievance procedure here should include a person selected by agreement of the employee and the employer from among a panel of persons or if necessary a three-person panel chaired by someone designated by the president of the Ontario Federation of Labour.

If we want to go that route let us clearly acknowledge that the rights being given to unorganized workers in Ontario are a result of the efforts of organized labour. Let us get that clearly on the record. Let us do all we can to facilitate the unorganized worker, understanding his entitlement to organize and join the labour movement. Let us make certain the grievance procedure in some way relates to people who have an understanding for and a capacity to deal with employees' interests.

In this province, that is the Ontario Federation of Labour. Let us use the facilities of that body to name the person who is going to settle these kinds of grievances. In that way, over a period of time, employees would understand

that a statute can only give them minimal protection. That is all it will ever do in this province under this government. Let us make absolutely certain the employee understands the protection is minimal and if he wants the kind of adequate protection available his access is through the organized labour movement.

Therefore this is the position we take on the bill. Despite the uneasiness these things always create, this at least is a model, the kind of contract of employment I have spoken about. We in this caucus would support such a bill because of the principle involved in it, but it is inadequate in effectively protecting the employee it intended to protect, for the reasons I have stated.

Mr. Speaker: Mr. Renwick, your time has expired.

Mr. Renwick: Thank you, Mr. Speaker. I thought my time had expired.

Mr. Dean: Mr. Speaker, Ontario is one of the most enlightened jurisdictions anywhere in the world when it comes to legislation to protect the rights of both employers and workers. Unions have flourished here. In spite of the odd difficulty from time to time they have helped to ensure a climate of prosperity and relatively good working conditions for the labouring men and women of our province. We all depend on their efforts, just as we all depend on the efforts of the entrepreneurs who create employment opportunities.

It is always a pleasure for me to see a matter brought before the consideration of this House that may serve to enhance and improve the conditions under which our people work. At the same time I believe we are fortunate to live in a jurisdiction which by and large respects the autonomy and freedom of the individual. Also, it is a good thing for Ontarians the affairs of this province are managed by a government that emphasizes customer service and minimal regulation in business and the work place.

Although I am not sure exactly what proportion of our work force is unionized, I believe it is something like one third. So when we start talking about the so-called rights of non-unionized workers we have to keep in mind we are talking about a good number of people.

5:40 p.m.

I have given careful consideration to the implications of this bill. I can see where a woman who feels she has been dismissed because of a negative response to sexual harassment would want recourse to the law. But under

the present Ontario Human Rights Code, such cases have been successfully dealt with and the new code which this government is bringing forth makes such protection quite explicit.

I suppose sometimes people may feel they have been dismissed or otherwise disciplined because the boss did not like them. No doubt a personality conflict is often at the bottom of many disputes between people in the working world.

I cannot help but believe that by and large what most employers desire is to get the jobs done that have to be done. I really cannot see where personal likes and dislikes would enter into the picture with great frequency. I do not feel it would be feasible for some kind of tribunal or the mechanism proposed in this bill to act as an agency of redress in such an abstract situation.

I realize under our present legislation a non-unionized worker's only recourse is a civil action for wrongful dismissal. I am well aware this procedure can be costly and complex. Recoverable damages tend to be less than is hoped for, especially for hourly paid workers. Furthermore, I understand that courts have no power to order reinstatement of a dismissed employee.

While the area is admittedly a problematic one, and one that is under review by our own Ministry of Labour, the proposals contained in the bill we are considering today are, unfortunately, not the answer.

I would like to explain why I feel this way. I stress that I find it regrettable I cannot support the bill because essentially I agree with it in spirit, though not in its particulars.

For example, the provisions of a low-cost or zero-cost review procedure governing discharge or disciplinary actions against unorganized workers would contrast sharply with practice in the organized private sector. It is usual for the parties to pay their own costs in grievance or arbitration proceedings. A significantly lower cost procedure for unorganized workers to which the organized would not have access could be expected to give rise to objections on the part of trade unions and would be seen by them as a disincentive to organize.

Further, Bill 57 may in practice provide an ineffective remedy against unjust dismissal since in section 2(1) it exempts from coverage unorganized workers whose employment contract contains specific penalties for infractions leading to discharge or disciplinary action.

It is entirely possible employers may seek to

escape the bill's provisions by ensuring that disciplinary penalties are included in the employment contract. There is no guarantee these penalties will be in any sense reasonable or that employees will be accorded fair treatment in disciplinary cases.

Also, section 5 clearly provides for the stacking of rights acquired by the proposed act with those conferred by existing law. This creates the possibility employees may obtain compensation for wrongful dismissal through the courts and, subsequently, apply for reinstatement under the act. This is a major flaw in the legislation being considered this afternoon.

Mr. Speaker: Mr. Dean, you have one minute.

Mr. Dean: Yes, Mr. Speaker.

Mr. Dean: In closing, I would like to assure members of this House that while I cannot support the legislation we are considering at the moment I would not wish to have my views construed as being against the legitimate rights of non-unionized workers. On the contrary, I urge all members to work whenever and wherever possible to ensure that Ontarians in all walks of life receive the full support and benefit of this government.

Mr. Haggerty: Mr. Speaker, I rise to make a few comments about what the previous speakers have said, particularly the member for Hamilton East and the member for Riverdale. I was concerned when I went to the legislative counsel to have the bill prepared. I know it is not a cure-all, but it does bring to the attention of the Legislature that there is a problem in the working conditions of the labour force in Ontario.

England was mentioned. England has similar legislation. It is something like what I have tried to put forward. It has worked well over there, but one of the things I find in England is that where there have been some difficulties and grievances, the employed persons did not resent the union movement. In a number of cases they had formed unions through this type of association for following a grievance procedure.

I suggest that Bill 7 no doubt will do the same thing in Ontario as more persons become aware of that type of legislation and know what their rights are under that bill. They may not get full protection, let us say, in a non-union shop, but eventually they will head to a union to get fuller and better coverage and protection by it. I think unions have done an excellent job in that area.

I was more concerned about what the members on the Tory side were saying about costs.

They say it is going to overload the Ontario Labour Relations Board with about 50 more employees, and they wanted to know where the money would come from. I can tell the members one place it could come from: the \$18 to \$20 million that is spent on advertising by this government year after year and on "Preserve it, conserve it" could go to a worthy cause. I suggest that.

I look at the amendments to the Ontario Human Rights Code. There has been no mention by government members of what this is going to cost the taxpayers. There are going to be many hearings held through the new amendments that are proposed under the Ontario Human Rights Code. It is going to cost somebody some money, and it is going to be a considerable cost. So that form of arbitration or grievance procedure is costly also.

The member for Scarborough-Ellesmere (Mr. Robinson) mentioned the type of policy or program they have in England, which gives some protection to labour—the Employment Standards Act. If the members over there were brave enough they would bring in amendments to the Employment Standards Act to give these persons protection in Ontario. But if anyone has had any dealings with the Employment Standards Act in Ontario they will tell him that there is a problem in this area—it is regrettable, but we cannot do a thing for him. There is no recourse to a hearing, or an inquiry or an arbitration proceeding. I am just a bit surprised that the Conservative members would oppose such an amendment, because I think it is a step in the right direction that does provide employees in Ontario some access to a grievance procedure in the case of an unjust dismissal.

I have quoted some of the standards that were set and applied in other jurisdictions, and I think the member for Riverdale (Mr. Renwick) had mentioned that. I had covered it in my leadoff speech. I thought if you had a code or practice that was approved under the Employment Standards Act saying that these guidelines are set, all employees would know their rights the minute they signed on the dotted line for employment in industries or in any employment in Ontario even if they are not informed in that particular area.

So there are areas in which the Minister of Labour (Mr. Elgie) can become involved to assist those persons when they do have a grievance to have a fair and just hearing. I said before I am surprised that a government that speaks of equal opportunity in Ontario will be

opposing this bill this afternoon. Where is that equal opportunity of employment in Ontario? They are denying those persons that right.

There are cases which really require that. If not, the federal government would not have moved into this type of legislation. I grant that the bill I had before the members is not perfect, but it can be changed. It is an idea for the minister to bring in his legislation and make those changes as he sees proper at the present time to cover those people.

Mr. Speaker: One minute, Mr. Haggerty.

Mr. Haggerty: I appreciate the comments from the New Democratic Party and their support for this particular bill, because I think they understand labour problems far better than the government members over there do. I suggest perhaps they can reconsider their position. I wish the member for Scarborough-Ellesmere would bring forward what it is going to cost to administer those amendments under the Ontario Human Rights Code. It is going to be costly, but bring forth those costs.

I hope the members will reconsider and support the intent of this legislation. I think it is a step in the right direction.

5:50 p.m.

MARKETING BOARDS

Mr. Speaker: Mr. G. W. Taylor has moved resolution 10.

Those in favour will please say "aye."

Those opposed will please say "nay."

In my opinion the ayes have it.

Motion agreed to.

NON-UNIONIZED WORKERS PROTECTION ACT

The House divided on Mr. Haggerty's motion for second reading of Bill 57, which was negatived on the following vote:

Ayes

Boudria, Bradley, Breugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock;

Newman, Nixon, O'Neil, Philip, Reid, T. P., Renwick, Riddell, Roy, Ruston, Sargent, Stokes, Swart, Sweeney, Van Horne, Worton, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bernier, Birch, Brandt, Cousens, Cureatz, Dean, Drea,

Eaton, Eves, Fish, Gillies, Gordon, Gregory, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Kells, Kerr, Kerrio, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell;

Norton, Piché, Pollock, Pope, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Watson, Wells, Williams, Wiseman.

Ayes 43, nays 58.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, pursuant to the standing orders, I would like to indicate to members the business for the rest of this week and part of next week. By agreement, we are only announcing the business up until Tuesday evening and we will have a statement either Monday or Tuesday for the remainder of next week.

Tonight, the House will consider the interim supply motion, followed by second reading of Bill 70 which stands in the name of the Treasurer (Mr. F. S. Miller). If time permits, that will be followed by Bill 90, which will be followed by Bill 67.

Tomorrow morning, we will continue with any of those items that I just announced that have not been completed, with the exception of Bill 90, the waste management bill, which will not be considered tomorrow morning.

On Monday afternoon, June 22, we will proceed with legislation, second readings in this order: Bill 90, Bill 72, Bill 73, Bill 78, Bill 85, Bill 113, Bill 116, Bill 124, Bill 68 and Bill 67 and any bills in committee of the whole stage that appear on the Order Paper.

In the evening, we will continue with second — Interjections.

Hon. Mr. Wells: I am sorry, in the afternoon is the no-confidence motion of the official opposition. In the evening, we will consider legislation, second readings of the bills I have just indicated. On Tuesday afternoon and Tuesday evening, we will continue with legislation, following the order that I indicated of those bills that have not been completed.

The further business of the House for next week will then be announced either Monday or Tuesday.

The House recessed at 6.02 p.m.

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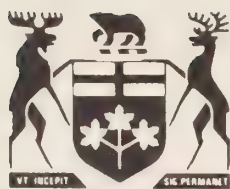
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Norton, Hon. K. C.; Minister of the Environment (Kingston and the Islands PC)
Peterson, D. R. (London Centre L)
Reid, T. P. (Rainy River L-Lab.)
Renwick, J. A. (Riverdale NDP)
Riddell, J. K. (Huron-Middlesex L)
Robinson, A. M. (Scarborough-Ellesmere PC)
Rotenberg, D. (Wilson Heights PC)
Roy, A. J. (Ottawa East L)
Ruprecht, T. (Parkdale L)
Smith, S. L. (Hamilton West L)
Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
Stephenson, Hon. B. M.; Minister of Education and Minister of Colleges and Universities
(York Mills PC)
Stevenson, K. R. (Durham-York PC)
Swart, M. L. (Welland-Thorold NDP)
Taylor, G. W. (Simcoe Centre PC)
Timbrell, Hon. D. R.; Minister of Health (Don Mills PC)
Turner, Hon. J. M.; Speaker (Peterborough PC)
Walker, Hon. G. W.; Minister of Consumer and Commercial Relations and Provincial Secretary
for Justice (London South PC)
Wells, Hon. T. L.; Minister of Intergovernmental Affairs (Scarborough North PC)
Wrye, W. M. (Windsor-Sandwich L)
Yakabuski, P. J. (Renfrew South PC)



Ontario

LEGISLATIVE ASSEMBLY

No. 52

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Thursday, June 18, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Thursday, June 18, 1981

The House resumed at 8:01 p.m.

INTERIM SUPPLY

(continued)

Resuming the adjourned debate on the motion for interim supply, June 1 to October 31, 1981.

The Deputy Speaker: On the motion for interim supply, I believe the member for Renfrew North (Mr. Conway) still has the floor in this debate.

Just before the member proceeds, I want to clarify something for the record. If he will recall, the other evening as he was concluding I attempted to bring him to order in regard to his straying away from the motion before the House. My concern was that he was talking about the moral aptitude of the employees at Ontario Hydro, which I thought did not quite encompass the aspect of the resolution. It was late in the evening, and I did not feel like arguing the point with him. That is just for clarification.

Mr. Conway: Thank you very much, Mr. Speaker. To continue my comments of the other evening, I want to begin tonight where I left off in my cursory examination of the budget. Tonight I want to touch briefly upon a rather interesting reference made to Ontario health insurance plan premiums. I found the reference in the budget of 1981, as set out on page 20, which says:

"Mr. Speaker, some members think that premiums are not an appropriate health financing vehicle. Let me say that I intend to explore in depth other financing options, such as a payroll tax." That is from the Treasurer (Mr. F. S. Miller).

Mr. Mackenzie: Which century?

Mr. Conway: My colleague the member for Hamilton East (Mr. Mackenzie) will well remember some three years ago when the government of that day, as well as this, took a decidedly different position. It is my recollection that this Treasurer and his predecessor fought very valiantly to maintain that kind of tax with all its unfairness, inefficiency and regressivity.

I well remember in the film made by Peter Raymond for the National Film Board, called

The Art of the Possible, how we got an inside look at Darcy McKeough and the famous "premium debate" of 1978. I thought it was so interesting because it revealed, to me at least, how this government and its staff will agree internally with the standard opposition argument about the injustice and the inefficiency of the OHIP premium system.

The Treasurer replied the other day to a question put by the distinguished New Democratic Party spokesman for health, the member for Bellwoods (Mr. McClellan). He offered some comment about the rate of uptake in whole and partial premium assistance. I do not know whether the member for Bellwoods has yet received the data. I asked on a supplementary question for some information. I will be very interested to know whether in 1981 this Treasurer, on behalf of that government, can provide us with any realistic information about just how inefficient and how hopeless a system it is they have developed.

Mr. McClellan: He promised the data but did not give it.

Mr. Conway: I believe that might be so, but I am prepared to wait a little longer.

I want to put on the record again what the former Treasurer told us on one occasion. He said that in 1978 there were no fewer than 60,000 people on partial premium assistance, and he could give us an absolute assurance that was so. He could not tell us exactly how many, but there were no fewer than 60,000 people.

About two months later, through one of his officials—some of whom are represented here today if faces are to be believed—we were told that the figure of 60,000 was not quite accurate. The member for Hamilton East might want to correct me, but I think the statement was that there were 586 people taking advantage of partial premium assistance in Ontario.

All I want to say about those two figures is that I know with certainty they are both wrong. I must have 500 friends in various institutions, educational and otherwise, who are taking advantage of partial premium assistance.

Those of us who served on that committee had a firsthand opportunity to see just how

mixed up and poorly administered that system was.

I have to think that the experience of 1978 was sufficient to bring about a serious attitude to reform. If it has taken three years to bring the government of Ontario to the recognition, as set out on page 20 of the budget, that there might be a better way, then I am delighted. I am truly happy that, in the interest of a fairer, more just and more efficient health care system, we will finally begin on the road to reform in that particular area.

Mr. McClellan: They said that in 1979 too.

Mr. Conway: It may have been so, but I am prepared to give this Treasurer one last chance to produce a new policy.

We are always told by certain people on the other side of the House about the independence of the public service. I do not know how many people here saw the film I referred to earlier, *The Art of the Possible*. I will never forget Ed Stewart's performance in that film. Never will I forget how the chief public servant in this province allowed himself to be filmed. For me, that film removed any illusions I might have had about just how innocent and independent the cabinet office is in this administration.

I well remember the chatter between Mr. Stewart and Mr. McKeough on the whole OHIP thing. It is too bad the former member for Scarborough-Ellesmere is not here tonight. I remember the discussion between the then Treasurer, the Premier (Mr. Davis) and the deputy in charge of the Premier's office. I remember Mr. McKeough leaning back in his chair, snapping his fingers and saying, "Ed, what is the rhetoric we use to justify premiums?" Mr. Stewart, quick to his feet, replied: "Darcy, the visible link. The visible link." Mr. McKeough, the Premier or both were chortling and saying, "Oh, isn't it wonderful? We don't have to worry about bringing this into the House."

It is too bad Mr. Raymond did not let that film run an extra five or 10 days. He would have shown the people of this country what the art of the possible is all about in this jurisdiction.

I have said enough about the premium commitment spoken of by the Treasurer in his budget document on page 20. I understand the certain arrangements that have given us the politics of the foregone conclusion by those who want to expedite these debates in the interest of getting out early. Who am I to stand against that irresistible pressure in the face of a beautiful summer day and an ever more alluring pay bill?

8:10 p.m.

In my allowed time tonight, whatever that might be, I want to talk about a few things that do grate on me to some degree relating to the expenditures of this province. I found it interesting today that my colleague the member for London Centre (Mr. Peterson) had to get on his feet and draw to the attention of all honourable members what I believe, as the member for Riverdale (Mr. Renwick) properly pointed out as well, to have been a serious violation of the traditions and privileges of the members of this House.

Let me say at the outset that I do not expect many people here to care or understand. After six years in this place, I have come to the conclusion that the concept of an independent Legislature does not mean very much to most people here. If there has been one underlying reason for the acrimony and difficulty this session, it is because of that reality. The reality of 1981 is the reality of many previous years. It seems it is not in the interests of many people here to have a genuinely independent Legislative Assembly.

I truly laugh when so many here want to adorn themselves with all the glory of Westminster when behaving with the kind of antediluvian attitudes of a theocracy or some kind of single-party Star Chamber. As one private member, I find offensive the degree to which some people are prepared to go to undermine the independence of this Legislature. I will do my best to monitor developments in that connection in the coming months.

It was interesting that the whole point of the member for London Centre's point of order today was apparently lost on the government House leader (Mr. Wells). The question about this interim supply must surely be whether it was as necessary as it appears to be. We all understand, because every one of us has at one time or another read Professor Ward's *The Public Purse* to understand the traditions of supply in the British parliamentary system. What I found very interesting is that the two questions involved in today's exchange were not in any way addressed by the government.

My most important question on that matter is, on what specific authority has this government been spending money since June 1, 1981? Some would say, "The warrants cover that period." If it is the case the warrants cover that period, Mr. Speaker, why are we backdating the resolution you are so anxious we specifically concern ourselves with in this debate? On what specific authority is this government spending money

from June 1, 1981? That is a question I did not hear addressed by the government House leader.

In addition, since the House was called back on April 22, why was it that we did not have this interim supply motion at a much earlier date than when we received it a few days ago? I would be delighted before this debate concludes to have an answer from someone over there on those two points. Why did we have to wait until the middle of June to get a backdated interim supply motion? On what specific authority has this government been spending money since June 1, and spending a very considerable amount of money?

One of the areas where the expenditures of public moneys have become somewhat ridiculous is in the number of appointments being made across the way. I have to say to my honourable friends opposite that it was with some interest I read a memorandum from my colleague the member for Kitchener (Mr. Breithaupt) on who has what as a result of the realities and the spoils of March 19. I found it interesting, to say the least, that fully 62 of 70 government members are on some kind of special gravy train as a result of March 19.

Of course, we understand how it is that members of the cabinet will be in a different category than others. I have understood something about the growing tendency to appoint Ministers without Portfolio and to appoint parliamentary assistants.

Mr. Foulds: That is a serious failure. In 1971, out of 78 members, 77 got extra remuneration. Only Albert Belanger missed the gravy train that year.

Mr. Conway: I found certain things about this latest list interesting. To begin with, and I know the member for Port Arthur (Mr. Foulds) will be interested to know, when you set it all out, it is immediately obvious who is on the bad boys' or bad girls' list. Against some names there stands nothing by way of additional remuneration.

I note with some interest that the very distinguished and very honourable member for Timiskaming (Mr. Havrot), the member for Prince Edward-Lennox (Mr. J. A. Taylor)—

Mr. Foulds: The member for Timiskaming is representing us in Sri Lanka.

Mr. Conway: Exactly. I am told that the process by means of which that very distinguished and very honourable member is representing us in Sri Lanka is a fabulous testament to just how independent a Legislature we have. It

warms my heart when I hear the story of how that very distinguished, very illustrious, very charming, very diplomatic, very eloquent member has come to represent us at the conference in Sri Lanka.

The Deputy Speaker: All right. Come on back to the resolution, Mr. Conway.

Mr. Conway: But I note as well that the former Minister of Energy and the former Minister of Community and Social Services, the former outspoken member and currently less outspoken member for Prince Edward-Lennox (Mr. J. A. Taylor), is also without additional emolument. As well, the member for St. David (Mrs. Scrivener), the former Minister of Revenue and the former Minister of Government Services, is without any particular additional income.

Mr. Nixon: I don't know why she hangs around here.

Mr. Conway: I note with some interest that the new member for Humber (Mr. Kells) is without any just reward or deserts. I will let that speak for itself.

But I find it interesting when I look at this list and see that this cabinet bench expands endlessly. We now have a total of 26 or 27 ministers. We still have a panoply of superministers who are paid, I note, an additional \$21,000 to stand quietly in their places and say, "I want to thank the honourable member opposite, Mr. Speaker, for his very timely question, and I shall take it as notice. Thank you very much, Mr. Speaker." We continue to pay those very fine people an additional \$21,000.

We have a Minister of Revenue (Mr. Ashe) and a Minister of Correctional Services (Mr. Leluk) who are so important that some of them have not yet spoken a word in this session of the House. We have one case of a Minister without Portfolio who tells us it is his responsibility to follow in the steps of the new Minister of Natural Resources (Mr. Pope), the former Minister without Portfolio, and bring about freedom of information.

8:20 p.m.

As I understand it, we paid the former Minister without Portfolio, the current Minister of Natural Resources, a sum of some \$9,000 as Minister without Portfolio to work up a paper on freedom of information—over many months.

Mr. Foulds: That is why we need this interim supply.

Mr. Conway: Indeed, it is.

We were told the paper was almost ready—all but the finishing touches. I was delighted to know the additional emolument and all the resources that fell to the Minister without Portfolio had not gone without some productivity to show for it all. But what do we get on June 1 from his successor? The Minister without Portfolio, the member from Carleton-Grenville (Mr. Sterling), who is mandated to carry on the job of freedom of information—we understand it has a very high priority with this government—gives us this on June 1, as reported at page 1163 of Hansard:

“Mr. Speaker, if I can continue: I hope I will be able to produce a paper within the next four or five months to outline our position in regard to the intended proposals in terms of legislation and ideas about freedom of information. . .”

I think that says something about the commitment of the government to freedom of information, and just how worthless are some of these so-called ministerial personalities in terms of what they are producing. It is a classic dodge. The government on the one hand says it wants the information and, like so many other things, is going to do everything within its power to see that it does not happen.

I am reminded when we talk about voting interim supply that it is to make sure a lot of people around here can be paid. Not only do we have some of these superministers who are so questionable in their contribution, in so far as I can tell at least, but now I note that some of them are being blessed with parliamentary assistants. Added to that I am told some of these parliamentary assistants are so overburdened with their obligations they cannot drive within 100 miles of this very place without calling upon the ministerial vehicle, the ministerial driver, and God only knows what else. If that is what I am being brought here tonight to endorse, I do so very reluctantly, if at all.

The list is quite interesting. That we have a Minister of Revenue and a Minister of Correctional Services at all is quite astonishing. There are some in this House who will recall the halcyon days of Frost and Drew, when the idea of a 27-member cabinet was transparently preposterous. That we would have such a collection of outer ministers doing such things as they are now apparently doing—taking four and five and six extra months to rewrite some document that was long since paid for and, one would have hoped, produced—is quite astonishing. But it is much worse than that, as some will want to know.

I find the idea of a Minister of Revenue preposterous, and I make no apology for saying so. But that we have a parliamentary assistant to the Minister of Revenue is laughable. If that is what it is going to take to deal with the private income realities around here, then I am all in favour of doing as some distinguished columnist for some distinguished newspaper suggests. Let us not abuse the public Treasury with the concept that we need, and ought to pay for, a parliamentary assistant to the Minister of Revenue and spend the kind of money that it takes to create that layered nepotism over there so that the private income realities can be provided.

Listen, friends, if it is money they want, let us agree with those who are enjoining us day by day to come clean and produce a pay bill that is honest and meets the various needs of honourable members. It seems to me an affront to the taxpayers of Ontario that we have this kind of laughable, though expensive, situation whereby we have a parliamentary assistant to the Minister of Revenue.

I would not mind at all if parliamentary assistants around here meant something. It is beyond me how any self-respecting luminary like a distinguished former reeve of the township of Gloucester in the national capital region could sign on to be one of these parliamentary assistants, when the standing orders which govern his behaviour say, “Parliamentary assistants”—such as the member from Carleton East—“may answer” a question for his Solicitor General boss “only when authorized by the Premier.”

Did members ever hear of such a system whereby we endow these people with additional emoluments, with a bevy of staff and vehicles and an additional \$6,500—soon to be whatever, \$7,500—so that we might, some day, in the absence of their minister, prey upon the generosity of the first minister to have one of these poor, lost, lonely souls on the back bench get up and tell us something of departmental interest or concern?

That anyone over there walking to the paymaster every month can accept on the one hand that additional emolument, and on the other hand accept the totally insulting provisions of our standing orders is, I think, a comment on the kind of Pavlovian toadyism that has come to be the order of the day around this place.

There is always a worry in majority government about a government not being in control of its forces and losing a debate to the opposi-

tion and thereby going to the people at an earlier date than was contemplated. I understand something about the requirements to keep an eye on 70 members, or 34 members or 21.

Mr. Edighoffer: That's 30.

Mr. Conway: I will come back to that. My friend the member for Perth (Mr. Edighoffer) reminds me that 21 is really 30, which is something else I want to speak to briefly.

Do we really need to pay out four additional salaries—to the chief government whip (Mr. Gregory), the expansive member for Cochrane North (Mr. Piché), the new member for Lakeshore (Mr. Kolyn) and the distinguished member for Wellington-Dufferin-Peel (Mr. J. M. Johnson)? Do we really need to pay out some additional \$22,000 or \$20,000 to make sure the numbers are where they ought to be when they are required?

I have to say to the very engaging and spirited member for Lakeshore, even he will understand that spending that kind of additional dollars to corral a group of recalcitrant Tories is not what a lot of Tories over there were talking about not very long ago in so far as the need for restraint is concerned.

8:30 p.m.

The next time a government whip or a parliamentary assistant seconds a car to drive down the road because he or she is just so tired that he cannot cope with the drive to wherever, I hope that it will be remembered for the next restraining speech that honourable members give.

Mr. Roy: How many on that side do not make extra money?

Mr. Conway: My colleague the member for Ottawa East (Mr. Roy) asks me, and I will repeat—

The Deputy Speaker: Do not be repetitive, Mr. Conway. Remember the standing orders?

Mr. Conway: I will repeat for my friend the member for Ottawa East that the collection of saints and sinners excludes but eight. As my friend the member for Ottawa East knows better than most in this House, there are those who lost on March 19 for whom the realities of emolument and office and joy are much greater than the pittance afforded to the new member for Cochrane North, who was offered but a mere \$3,000 to count.

One is reminded of the distinguished Conservative candidate in Ottawa East who, together

with his family, has landed the main prize in so far as post-election joys are concerned. I have to think that the list does not end there.

I am reminded by a lot of people around this place of the promise of a new and better era as a result of March 19, and of just what it is these dollars we will vote in interim supply will be able to provide by way of new social and economic initiatives. I was reminded of that promise in my own mailbox some 255 miles from this place not very long after the election—May 15, to be specific—when these people, with whom I understand you have an erstwhile affiliation, Mr. Speaker, sent through a certain William Kelly a letter that reads, but in only one or two paragraphs, accordingly:

“Dear Ontarian: Keeping the promise of a bright future for Ontario means much, much more than an election slogan for the Davis government. It means a long-term commitment to better the economic and social wellbeing of every Ontario resident.”

The Deputy Speaker: Mr. Conway, in fear of asking, can you now relate that to this resolution?

Mr. Conway: Yes, I can, Mr. Speaker, because your colleagues the other night interpreted my remarks in this debate in such a way as to dispatch the dean of the House, the member for Stormont, Dundas and Glengarry (Mr. Ville neuve), with a little collection, which I counted, in the amount of \$1.47.

I thought I would have no better opportunity than on interim supply to commandeer one of these pages to take to my friends over there, for a deposit to Mr. William Kelly on his account, since his letters are so plaintive about what realizing the promise involves, \$1.47 as my testament to what I think the promise of March 19 really amounts to and what it is worth.

If Mr. Kelly finds it too small or too large a contribution, then will he please relay it to the distinguished Treasurer so that he might be assisted in defraying the expenditures of interim supply as they are required.

The Deputy Speaker: I knew there was a connection. Thank you.

Mr. Conway: Along with my colleagues in the chamber I want to know and I am interested to know because, although I am not a very partisan fellow, I assume some of the payments being sought by this resolution will find their way into the Office of the Legislative Assembly.

Since that is my belief, I think it is appropriate tonight to express not an objection as some of

my other colleagues have been wont to put forward in connection with certain activities related to the underwriting of various caucuses here, but to pass comment on the fact that, as my friend the member for Perth drew attention to moments ago, we have over here a group of 21 distinguished New Democrats carrying forward the banner of social democracy in this province in the light of very difficult circumstances.

The night the new member for St. George (Ms. Fish) privately burned or tore up her card in the New Democratic Party and fled to the high altar of opportunistic promise in the Conservative Party, set a tone and a direction that was—

Mr. McClellan: She keeps her card to this day I am sure.

Mr. Conway: I recall what members over there were saying to me, and I will not embarrass the honourable members opposite who said in hallways back in December, "The grand old party has come to such a state we are taking rejects from the urban-based New Democratic wing and I hear the distinguished former New Democrat from ward five is joining the Progressive Conservative cause."

Whether these Conservative colleagues or others were speaking inaccurately of the public or private ambitions and philosophical affinities of the new member for St. George, I cannot speak to.

The Deputy Speaker: How about speaking to the resolution?

Mr. Conway: I am speaking to the resolution, and on this interim supply motion I just want to note that, as a result of a very understandable, clever, political sweetheart deal, this government at the highest levels has recognized 30 where there are but 21.

The additional \$82,000 subvention is a testament to at least one reality and that is that the Premier and the Minister of Intergovernmental Affairs are not many things, but one thing they are not is Walter Baker and Joe Clark. They understand the dialectic of multiparty Legislatures in a keen way.

They understand something about the give and take. They understand who needs to be propped up and just how to prop them up and serve their cause indirectly. I am not a niggardly, mean spirited fellow. Far from it. I want to note that part of the reality of March 19 is that my friend and colleague from Renfrew South (Mr. Yakubuski), my friend and colleague from

Prince Edward-Lennox, my friends and colleagues the very left-leaning members of the government caucus, are active participants in an \$82,000 subsidy to the Socialist cause in this place.

8:40 p.m.

Hon. Miss Stephenson: Are you really so misanthropic?

Mr. Conway: I will tell you, I wasn't very mean-spirited until the campaign of February and March, but taking an elegant and delicate phrase from George Bush, who described the Carter campaign as "a groin kicking exercise," George Bush's words apply to what I felt to be the reality of the campaign of the government party. I felt that prior to the spring of this year that honour, even among politicians, meant something, but I learned from the very distinguished first minister of this place not ever to make the mistake of presuming that kind of attitude when maybe, just maybe, the facts do not warrant that kind of presumption.

Tonight on interim supply I wanted to simply acknowledge that the people opposite are subsidizing the third party here—who I am told are very appreciative of that particular help—to the tune of approximately \$82,000.

At the risk of repeating some of my brief intervention on Bill 72, which I was regrettably unable to complete on other accounts, tonight I did want to pass a few comments on one of the important aspects of public policy and the expenditures of interim supply as they relate thereto and a commentary which has been undertaken by many in this House, namely, energy.

A number of members, though all on this side, participated in that debate pointing out the silent partner quality of the ad valorem gasoline tax. I was struck by the number of people who made the argument that this is a government which is now profiteering as a result of higher domestic oil prices in the face of a repeated and vigorous political campaign against that kind of escalation. I said some of those things. But I was struck by the number of people over here who argued that this was an unbelievable about-face. "This was hypocrisy," they said. "This was unheard of because there was no forewarning." They had re-established their majority and on the basis of fighting higher oil prices, they had won that majority. Now, without notice, they were going to change position on oil pricing and profiteer with higher prices.

I am not one of those people over here who

believes that change of course was served without notice, because I believe there to have been two important indications about a very dramatic change of heart. The second of these came right around budget time. I believe the meeting occurred about the time of the budget in May of this year.

Deborah Dowling, reporting in the *Financial Post*, headlined the Ontario chapter with "Softening up Oil Attitudes."

The Deputy Speaker: Mr. Conway, could I bring you to order for a moment please. I am having some difficulty with regard to standing orders and it has been brought to my attention, under 19(5), "A member shall be called to order when he anticipates any matter already on the Order Paper or Notice Paper for consideration." In your learned opinion, do you think you are doing that?

Mr. Conway: It is the rule that we can speak to the matters of public expenditure related to interim supply. I am assuming that some of the billions of dollars we are approving will find their way to the Ministry of Revenue, the gas tax branch. I am asked to approve dollars to pay for the administration of the gasoline tax branch in the Ministry of Revenue and I assume that, in voting moneys to pay those salaries, it is in order for me to pass comments about that department.

I recognize there are standing orders such as the one you quoted, Mr. Speaker, which would caution honourable members in the absence of other considerations to do exactly as you enjoined.

The Deputy Speaker: As a result, Mr. Conway, and after listening to your learned opinion and your interpretation, I beg to differ with you. After due consideration I would ask you to make your comments a little broader in terms of what is already in existence on the Order Paper.

Mr. Conway: Your colleagues, Mr. Speaker, will relieve me of that obligation momentarily.

We are not talking about the ad valorem gas tax per se—I will pass on that. We are talking about energy policies as espoused by various factions of this government. I want to cite briefly two public references that indicate we had notice, those of us who were careful to look, to listen and to see what was there between and above the lines.

I noticed that when we met with a group of western oil men in this city not long ago, the government's lead hand in industry and tourism, the very important Minister of Industry and Tourism was quoted in the *Financial Post*:

"In a meeting with Larry Grossman, Ontario Industry and Tourism minister, the oil men asked for Ontario's support for a more rapid increase in energy prices than that allowed by the national energy program. Grossman told the *Post* that Ontario's response is 'Yes, we are willing to be part of the agreement to negotiate and to move off our position.'

"Up to now Ontario has opposed the rapid escalation in prices for domestic oil. But Ontario expects movement elsewhere. 'Our message is we understand the necessity of getting the megaprojects under way, but when we say everything is negotiable I mean everything is negotiable and we will move off our position of earlier days.'"

That is the weaker of the two positions. It is very late in the day and it is close to the budget of the member for Muskoka (Mr. F. S. Miller). Much more interesting is the commentary of the new Minister without Portfolio, the vice-chairman of Management Board, the member for Armourdale (Mr. McCaffrey), who was a colleague of mine on the select committee on constitutional reform. I know my colleague the member for Ottawa East (Mr. Roy) will want to remember this. The constitutional committee went to Edmonton to discuss oil policy in the fall of 1980, long before the election, when the only concern of the government was trying to fill Sid Handleman's post over there.

Those members of the assembly who happened to be in government house in Edmonton that warm night in late September had the joy of listening not to the member for Armourdale but to the member for Prince Edward-Lennox, the former Minister of Energy. He gave a speech and made public comments that seemed to come down on the side not of the Premier, not of Marc Lalonde, not of Peter Lougheed or Merv Leitch, but of Sheikh Yamani. The member's position in the full sail of his free enterprise rhetoric was an astonishing addition to my understanding of what the Tory oil policy was all about, and to think—

The Deputy Speaker: Mr. Conway, would you get us back from Edmonton to this assembly now?

8:50 p.m.

Mr. Conway: Mr. Speaker, I have to submit the energy policy of this government must of necessity be a centrepiece of any supply bill, the order of magnitude of which we are being asked to consider here tonight. When I think of the chutzpah of the Tories in February and March

in talking about the contradictions in anybody else's energy and oil policy, when they have and harbour and support someone who has said the public things the member for Prince Edward-Lennox has said, I have to think they are brave indeed.

Back to the stated record of the much more important minister of the current government. We will not search the doghouse of despair for lost voices from earlier hope to condemn the current situation. I would rather take a rising star, like the member for Armourdale. I want to share briefly a few comments from the October 1980 edition of the learned western periodical, *Alberta Report*. I know the Minister of Education will wish to upset herself, because the language might become somewhat controversial. The headline of the article is as follows—

Mr. Roy: We have cleared the gallery.

The Deputy Speaker: Mr. Conway, are you confident this is going to work within the ambit of the motion?

Interjections.

Mr. Mancini: Mr. Speaker, we are tired of your interruptions.

The Deputy Speaker: I am tired of having to call the member into order in terms of the resolution before this Legislature.

Mr. Conway: Headline, *Alberta Report*, October 1980: "Alberta's 'Rude Bastards' Change an Ontario Mind." The article says: "Bruce McCaffrey, Conservative member of the provincial parliament for Ontario's Armourdale riding, visited this province with 12 other MPPs six weeks ago and later called Alberta MLAs 'rude, gruff bastards' because of their strong attacks on centralist energy and constitutional policies. Nevertheless, Mr. McCaffrey was back last week, though none of his colleagues from the Legislature's committee on constitutional reform accompanied him. This time he was one of eight MPPs here through a Canadian Parliamentary Association program." They send the member for Armourdale to Edmonton and the member for Timiskaming to Sri Lanka.

"After three days of meetings with cabinet ministers, MLAs, government officials and oil and gas industry representatives, Mr. McCaffrey"—whom I would like to point out is now Minister without Portfolio, rising star in the financial right-of-centre part of the government coalition—"concluded that he would support Alberta's case back in Ontario." Let me repeat, "After three days of meetings with cabinet ministers, MLAs, government officials, and oil

and gas industry representatives, Mr. McCaffrey concluded that he would support Alberta's case back in Ontario."

How dare anyone stand over here and make a hypocritical about-face without notice? The member for Armourdale told us from the high chair of power and glory as early as October 1980 what the realities of 1981 were going to visit upon this administration, this assembly and this poor, unsuspecting province, which was misled, shall I say, in the snowy days of February and March a few months ago. What can I say? What minister with portfolio can show so much impact in so short a time as the then back-bencher, the current Minister without Portfolio? Not even the former Minister without Portfolio from Timmins could report as much success with Star Transport.

At any rate, unfair are my colleagues who say and who serve notice that we got no prior indication, because we were told clearly that important members of the government caucus were coming back convinced of Alberta's case and were going to sell the justice of that argument. I tip my hat to the member for Armourdale, not for the justice of his argument but for the success of his sales pitch.

Mr. Roy: I do not believe it; I said I do not believe it.

Mr. Conway: Well, it is extremely difficult for those of us who have to listen to the Premier (Mr. Davis), the Treasurer and the Minister of Industry and Tourism (Mr. Grossman) lecture us about our inconsistencies. Imperfect we are, to be sure.

Hon. Miss Stephenson: You are right.

Mr. Conway: Where Atlas bows with the world on his shoulders the Minister of Education bows under the enormous pressure of omniscience. Some of us are a little shy of that omniscience. I would that I were so perfect; but in this mortal world, in this mortal coil, but few, as Calvin said, are among the elect.

Let me quote from the last paragraph of *Alberta Report* of October 1980, which says:

"Despite the vicious arguments, though, at least part of the message did get through. The committee is expected to report at the end of this month, and will recommend the Alberta position on the amending formula. 'On its own we could not understand the Alberta concern,' says Mr. McCaffrey, 'but in the perspective of a few generations of grievances it makes a good deal of sense. Out here \$6 billion means one oil sands plant; in Ontario it means a huge slash of

money in a province with no sales tax and the lowest property taxes around. A lot of people in my province just can't put the heritage fund in perspective.' He will try to convince his colleagues that unless fair agreements are negotiated with Alberta there will not be an Alberta as we know it to talk about."

In very significant measure, as far as that last comment is concerned, the very sensitive, very attuned member for Armourdale has an important point we would all do well to listen to. But I listened to a different tune not long ago, and I find it difficult, if not obnoxious, to be lectured to by a party that has in its closet this kind of stated public position, to say nothing of the remarkable pronouncements of a former minister of the crown in charge of energy, who has said, as I commented earlier, things that make the member for Armourdale look like a closet Conservative on the subject to the greatest degree.

9 p.m.

I just wanted tonight, on interim supply, to share with the honourable members opposite how it is that perceptive members around this place might have anticipated the beautiful, clever, productive, ad valorem scam that the Treasurer of Ontario has visited upon an as yet unsuspecting population. It is so clever. It is just so ingenious.

Hon. Miss Stephenson: I am worried about your paranoia. Are you sure you don't need a psychiatrist? Have you been to see one lately? Because you are depressed and very paranoid.

Mr. Conway: It proves this is a dynasty that might live by those kinds of ingenious methodologies. I have come to believe this is a dynasty that might survive a long time by virtue of these kinds of ingenious methodologies.

Hon. Miss Stephenson: I am concerned about him because he is ill.

Mr. Conway: I do not mind, but in some respects the good doctor, the former president of the—

Interjections.

Mr. Speaker: Order.

Mr. Conway: I will not even share with members tonight, I will not even share with these people, what a former Conservative candidate in the peninsula known to the member for St. Catharines as the candidate in 1968, Laura Sabia, had to say about this little scam.

Writing in the Toronto Sun of May 26, the

distinguished former Conservative candidate and oftentimes Conservative partisan, Ms. Sabia said, and I quote: "How dare"—

Mr. Bradley: She has a conscience. Let us hear what she said.

Mr. Conway: Yes, the conscience of Tories in the peninsula. "How dare the Ontario government index the rising price of gasoline and diesel fuel? A 20 per cent tax on the retail price, subject to review every three months, is a scandalous exploitation of the taxpayer.

"The very man, Bill Davis, who flayed Peter Lougheed for insisting on 75 per cent of the world price for oil and who, with his bedfellow Pierre, danced to the tune of a made-in-Canada price, now delights in the escalating prices as he socks it to the taxpayer. Who's the blue-eyed sheikh now? Who's the greedy little pig at the political trough?"

Hon. Mr. Drea: Is she still running for Pope?

Mr. Conway: Is Ms. Sabia running for Pope? Who knows. I heard a speech in here one night that—

Mr. Kerrio: I don't think she could get a passport to the Vatican after what she said.

Mr. Conway: The member for Scarborough Centre asks if someone is running for Pope. I remember an eloquent speech not long ago, not far away, about someone running for Supreme Court justice, and I think one is as likely as the other.

I am told by our Pope, the Minister of Education, that those electoral contests can be as vigorous as any around. There are a few things I would like to wind up with in this interim supply debate. I saw the Attorney General (Mr. McMurtry) here tonight, and—

Hon. Miss Stephenson: I think the honourable member is hallucinating.

The Acting Speaker (Mr. Cousens): Order.

Mr. Roy: I don't believe this! I think you should put on the record that on Thursday night at nine o'clock the Attorney General is in the House.

Mr. Conway: The member for Ottawa East might say that, but I thought I heard the Minister of Education suggest the Attorney General was this very night a hallucination. If the very distinguished Attorney General is a hallucination, then I have come a long way.

I am almost tempted one of these days to get up on a point of order, Mr. Speaker, and ask you

to take under advisement some of the medical language the Minister of Education throws around this place.

Hon. Miss Stephenson: It is absolutely clean.

Mr. Conway: I give her one last warning, because I do not want to embarrass her publicly, but I caution her to keep her caustic little tongue in the medical journals, where propriety ought to guide her. I have been observing some of the charming little interventions and I do not think they are very parliamentary at all.

The Acting Speaker: You are talking on the interim supply bill.

Mr. Conway: Yes, I am. Keeping in mind that we are here to fulfil the promise, that we are here to vote interim supply, and some of us are very skeptical about those obligations, I thought tonight might be a good opportunity for the Attorney General to make it a little easier for some of us.

There was a promise talked of in this last election—and I understand the rhetoric of campaigns very well—

Mr. Peterson: You never use it, do you?

Mr. Conway: Never.

With the Attorney General here, and mindful of the promise—keeping in mind that some of these billions of interim supply dollars were going to freedom of information—

Hon. Mr. McMurtry: We gave you your judge, didn't we?

The Acting Speaker: Order.

Mr. Conway: Did I get the judge? I got the very distinguished judge, my distant cousin and the former president of the North Renfrew Progressive Conservative Association. And I applaud my relationship and yours openly.

Hon. Mr. McMurtry: He's a good judge.

Mr. Conway: A marvellous judge.

In a more serious vein, I am wondering about a promise made to some parents almost two years ago by the Premier with respect to a horrible tragedy in northwestern Ontario. If I felt I was standing here tonight and in some way voting money to actualize that promise made in August 1979, on that account alone I would sit down and remain quiet for the rest of this session. But I have stood in this chamber for more than a year and have seen how the stain of Nakina remains on this government. I am not very happy about it. Not in any way am I happy about the shabby, shoddy way of that promise and how it is being discharged.

There might be anger and there might be discomfiture on the faces of honourable members opposite—

The Acting Speaker: On the interim supply.

Mr. Conway: —but if the Attorney General would stand in his place tonight or at a later date and tell me I was voting money to make that promise mean something, then on that account alone would I delight in my parliamentary function. But I remain an offended member of this chamber in so far as the discharge of that Nakina fire business is concerned.

If that is the best we can do in this province of making and keeping the promise, then I think we had better revise our rhetoric. It is clear there is a tragic gulf, as seen at least by many of the involved people, between the promise made and the performance as it has been seen over the intervening 20 months. If, before I leave this place, the Attorney General or the plenipotentiary of the front bench, the Minister of Education, or maybe even the Treasurer would indicate to me how that callous runaround is going to come to a conclusion that makes real and honourable the promise of August 1979, then these interim supply moneys are very well established indeed.

9:10 p.m.

I noted as well an announcement in the Financial Post not too many weeks ago. It was the announcement that a good friend of mine, the former member for Cochrane North—someone I knew for at least five years, someone I liked very much and someone who worked very hard and served, I believe, very well and very conscientiously—had very shortly after his retirement in the spring of this year accepted an appointment to a major pulp and paper concern with which the government, of which he was a member, had some dealings.

Mr. Peterson: What about the deputy minister?

Mr. Conway: My colleague from London Centre draws to my attention that next point. I was reminded—

Interjections.

The Acting Speaker: Order. Order.

Mr. Conway: I do not know, but I think that sitting at least six months of the year should be understandable. I know why certain people want us out of here; I could not imagine it being otherwise.

But I want to say again, if I thought that some of the moneys in interim supply were being

voted to create a study group, a legislation subcommittee of cabinet that would put in place rules that would parallel the federal guidelines on this very sensitive, delicate issue of distance between the cabinet and the senior bureaucracy and certain people in the private sector, they would be well voted.

I am reminded that in the May 23 issue of the *Financial Post* it is reported that Dome Mines "is pleased to announce the following appointments to its board of governors." One of the appointments made on that occasion was Dr. J. Keith Reynolds, the former deputy minister with the Ministry of Natural Resources, who is currently chairman of the Metropolitan Toronto and Region Conservation Authority. Dome notes in this announcement that he is also a director of Rio Algom.

I do not think it is proper, speaking as a private member, for a cabinet officer, cabinet member or a deputy minister to leave this place and, within days or weeks, sign up with people in the private sector with whom he had a direct interest in his previous incarnation.

I have no reason to question the integrity either of Dr. Reynolds or of Rene Brunelle. I cannot imagine that they would act in anything but a wise and proper way, but I am sure people on municipal councils, people in other levels of government can understand with me how, in 1981, it is not very helpful to have this kind of situation where we reinforce, through these kinds of appointments, a kind of client relationship—government to the private sector.

As my friend the member for Grey-Bruce (Mr. Sargent) reminds us so often, one of the largest transactions entered into by this government in recent years was the uranium contracts—

The Acting Speaker: On the interim supply, Mr. Conway, please.

Mr. Conway: —that in some direct way affected Rio Algom. To think that a Deputy Minister of Natural Resources would go from that position to Rio Algom within the space of a very few weeks is upsetting to me. I think it creates a wrong relationship and a wrong impression, and I would like to think that reasonable people might agree to ways and means of establishing some distance—not a perpetual everlasting distance, but some reasonable distance, probably like that spoken of in the federal guidelines. I would like to think that in the course of voting interim supply we would have some indication that that kind of guideline would be forthcoming.

Mr. Speaker, I have probably taxed my audience with more than they had been led to believe was their due tonight. I will not, because I presume I really cannot, discuss the requirements of my constituency in terms of interim supply and how the moneys there allocated might be spent in my own riding to improve things. But I want to conclude by serving notice again that I hope when we leave this place and return there will be a heightened commitment, for some the beginning of a commitment, to an independent Legislature so that we will not be put through the kind of acrimony that has characterized much of this spring session and for which I am, in my own way, partly responsible.

If I had my way, I would stand here to the discomfort of the executive assistant of the Treasurer and a lot of other people and talk until the middle of August just to keep this House in session to see what more we might find out about various transactions that leak out day by passing day.

I understand the adjustments and the accommodations that have given us the legislative politics of the foregone conclusion. I will simply take my place with a last reminder to everyone, from the Minister of Natural Resources (Mr. Pope) down, to keep in mind that there is an argument for the independence of the Legislature, eloquently spoken to and spoken of by my colleague the member for London Centre here today. I hope the kind of shabby House attitude that has brought us a retroactive interim supply motion without very much explanation—

Hon. F. S. Miller: I could do it today if you wish.

Mr. Conway: I would like to have had some explanation—

Hon. F. S. Miller: I have not had a chance.

Mr. Conway: I think the Treasurer is probably quite right. I would feel a lot better if he would simply stand in his place and explain to this House. I think it is important to note, when he is coming here to ask for that kind of money, that for any legislature to grant him or any other government a four-and-a-half-month holiday is palpably absurd; but he is getting it, and we are getting the pay bill, so I guess that is a trade-off.

I hope when we come back in the fall that the kinds of arguments that have divided us as private members will be ameliorated by a heightened recognition on all sides that this place is not a natural political extension of the office of the Minister without Portfolio (Mr. Gregory), to be dealt with accordingly.

Mr. McClellan: Mr. Speaker, it is a great pleasure to take part in the interim supply debate and I want to congratulate my colleague—

Mr. Peterson: You would be smart to sit down, because there is no way you can even hold a candle to him.

9:20 p.m.

Mr. Mackenzie: There is arrogance speaking. That is the new Liberal leader, is it?

Mr. McClellan: Is this the opening of Mr. Uranium Spoon's leadership campaign? Is the member feeling nervous about the member for Parkdale (Mr. Ruprecht)? Is he terrified by the member for Niagara Falls (Mr. Kerrio)?

The Acting Speaker: Order.

Mr. McClellan: Is he white-lipped and trembling, to use the phrase of his former leader?

The Acting Speaker: Carry on, Mr. McClellan, on the interim supply resolution.

Interjections.

Mr. McClellan: What means this surliness, Mr. Speaker? I was about to compliment the member for Renfrew North (Mr. Conway) on an interesting and discursive address to the House.

I do not intend to take a great deal of time. I do want to use the opportunity of the debate to raise some concerns about the maladministration of our health care system in this province and to bring again to the attention of the government and of the Treasurer (Mr. F. S. Miller) the very serious problems in the health care system and a major defect in his recent budget.

The central feature of the Treasurer's budget was, among other things, the 15 per cent hike in Ontario health insurance plan premiums. One may ask oneself why he raised premiums by that amount—

The Acting Speaker: Interim supply resolution.

Mr. McClellan: Mr. Speaker, I have sat here for approximately an hour and a half listening to one of the most interesting but discursive speeches I have ever listened to. Part of that speech dealt with OHIP and the premium assistance item of the budget. It was ruled in order then; I assume it is in order for the next 10 minutes or so.

The Acting Speaker: I really want to keep this on government motion 5.

Mr. McClellan: That is precisely what I am on.

The 15 per cent increase in OHIP premiums was very simply designed to deal with a very serious problem in our health care system: the phenomenon of extra billing. The government's solution to the problem of doctors opting out and doctors billing patients extra in Ontario was to increase the salaries of doctors by approximately 15 per cent. The 15 per cent increase in OHIP premiproblem of maladministration in the health care system that I wish to address briefly for the next few minutes.

I want to remind you, Mr. Speaker, of the seriousness of the opting-out phenomenon in this province. I hope the Treasurer has had an opportunity to read Alan Wolfson's study of opting out and extra billing, which was prepared in July 1980. I believe it was prepared for the Ontario Economic Council.

Where is the Treasurer? Is he still selling raffle tickets? Oh, there he is.

Professor Wolfson has dispelled a number of the claims of the Minister of Health (Mr. Timbrell), I think, about the relative insignificance of extra billing. The Minister of Health has been claiming for the past two years that extra billing is not a serious problem in Ontario, that it is nothing—

Mr. Foulds: Could we have some order, Mr. Speaker?

Mr. McClellan: —that extra billing is nothing to be worried about. Professor Wolfson's study shows that the Minister of Health is dead wrong. Yet the Minister of Health continues to repeat in this House and outside the House that extra billing is under control and that extra billing and opting out are not a serious problem.

I just want to draw attention to the three main points of Dr. Wolfson's study. First, extra billing is described by Dr. Wolfson as—

The Acting Speaker: Does this tie into government motion 5? The motion is on the floor, and I just want to make sure—

Mr. Foulds: Mr. Speaker, on a point of order: The honourable member is speaking about the health care system and the financing of it, and interim supply has something to do with that, if you knew the elementary rules of this House.

The Acting Speaker: Mr. Foulds, your point is not accepted. Carry on, Mr. McClellan, but keep to the subject at hand, which is government motion number five.

Interjections.

The Acting Speaker: Order. Carry on, Mr. McClellan. I want you to keep on government motion number five. Just tie it in please. I can see it is important.

Mr. McClellan: Mr. Speaker, I will say it one more time. I am going to speak for about 10 minutes on aspects of the administration of the health care system of this province.

Interjections.

The Acting Speaker: Order. Carry on, Mr. McClellan.

Mr. McClellan: I can take as long as everybody wants. I can stand here and stretch this out for as long as my colleague the member for Renfrew North.

The Acting Speaker: You have the floor, Mr. McClellan.

Mr. McClellan: If that is what people want to provoke me to do—

Interjection.

The Acting Speaker: Carry on, Mr. McClellan.

Mr. McClellan: Let me continue with a succinct presentation. I will ignore the jabbering about whatever ails the member for London Centre.

The Wolfson study talks about three important phenomena with respect to extra billing. First, it is a clustered phenomenon that affects different parts of the province differently by specialty and geography. Second, it deals in its main challenge to the health care system with the principle of our medical care system; that is, it is not as much a quantitative problem as a qualitative one. Third, it most severely affects those who are poor, disadvantaged or elderly.

The Minister of Health has been fond of saying that the incidence of extra billing is not important, that the proportion of health services billed on an opted-out basis is somewhere between seven and eight per cent of claims. He says this despite the fact that 18 per cent of practitioners have opted out of the health care plan. However, the Minister of Health continues to say it is not a serious problem and only seven per cent of OHIP services are billed on an opted-out basis.

Professor Wolfson showed over a year ago what the reasons for that apparent anomaly are. On page 17 of the Wolfson study he stated, "If all opted-out physicians billed patients direct for all their services, the proportions would be similar"—that is to say 18 per cent. The difference between the 18 per cent, which represents the number of physicians who have opted out of the plan, and the 8.4 per cent, which represents the number of services billed on an opted-out basis under the plan, is "a

measure of the extent to which opted-out physicians are billing OHIP directly for some of their patients." That is a reference to the December 1978 change in the regulations that permitted opted-out physicians to bill OHIP directly if they saw patients in their clinics at hospitals.

The significant thing about extra billing is that it has created a two-tier health care system in Ontario: one for the rich and one for the poor. That is the principal finding in Professor Wolfson's study and it is a finding the Minister of Health continues to ignore. It is the finding the Minister of Health continues to repudiate every time he stands up in this House and tries to play the numbers game by saying only seven or eight per cent of services billed under OHIP are billed on an opted-out basis. He misses the point entirely because he chooses to miss the point.

The point is, he has made provision in the regulations for opted-out doctors to bill OHIP directly if their patients are seen in a hospital clinic. Who is seen in a hospital clinic? It is a doctor's poor patients; the rich patients are seen in the doctor's office and are charged on an extra-billing basis. Poor patients are being streamed to hospital clinics where they are being billed under the OHIP plan. Again, this is the principal conclusion of Professor Wolfson's study.

I quote a comment by Professor Wolfson. He says, "If this," meaning his analysis, "is correct, it presents a direct and serious challenge to the principles embodied in medicare because it is a direct attack on the principle of uniformity of access to medical services."

Members will be aware that one of the principal underpinnings of the medicare system in this country and in this province is set out in section 4(1) of the Medical Act. The second principle reads: "A medicare act must provide for the furnishing of ensured services upon uniform terms and conditions by paying reasonable compensation and guaranteeing reasonable access."

I ask you, Mr. Speaker, and I ask the Treasurer, what kind of reasonable access is it, what kind of uniformity is it when there is one kind of medicare for the rich and another kind for the poor, when some patients get first-class service in the doctor's office and other patients are sent to a hospital clinic?

That is the fundamental threat that extra billing poses to the medicare system. The serious challenge to this government is to make sure a two-class medicare system is not allowed

to continue to develop. We know this very distressing phenomenon has already begun to happen; we know that from independent, objective study. The government refuses to take the problem seriously and refuses to explore any number of options that are available to it to deal with the problem of extra billing.

Our party has put forward one of those options. It is simply this: There should be one-price medicine in Ontario. We do not care if a doctor has opted in or opted out; all we care about is that there be one price charged and that the price be the price paid by the OHIP schedule of fees. If a doctor wants to opt out and bill his patients directly, and have the patients send their bills to OHIP for full reimbursement, that is fine by us. But we do not believe any doctor should be permitted to charge more than the OHIP fee schedule. That is our policy and it is one of the options put forward in the medicare debate. It is not one that has been accepted by the government.

There are other options. Quebec has a system whereby a doctor is either in or he is out of the medicare plan. If he is out, he is not able to get any kind of reimbursement; nor is his patient. That is another option—not one we favour—but it is certainly another option that is there for the government to consider.

Professor Wolfson himself has put forward a third option. He suggests a combined policy with one component being a proposal to permit doctors to opt out and to still be reimbursed by the medicare scheme, plus 10 per cent for expenses. This would be together with a fee and incomes policy which would permit doctors to move away from a strict fee-for-service payment and to get away from revolving-door medicine. It would put a ceiling on incomes which would be guaranteed despite a possible reduction in the number of actual office visits.

What has the government decided to do? What has the government chosen as its solution to the opting-out phenomenon? I recall the words of Aneurin Bevan when he was asked how he would deal with the doctors when he set up medicare in Great Britain just after the war. He said: "I shall stop up their mouths with money." That seems to be the limit of the policy of the government of Ontario today. That seems to be the extent of their creative imagination. That seems to be the beginning of the end of their capacity to deal with the fundamental threat to the integrity of the medicare system in this province. It is to splash around some money—a great deal of money.

Let us just remind ourselves how much money we are talking about. The Weiler report, which was the basis for the physicians' compensation settlement, awarded a 14.75 per cent increase. Now the average net income of a specialist in Ontario is \$99,660 for a year. That is take-home pay. That is an awful lot of money.

Hon. Miss Stephenson: That does not take into account all the fringe benefits which he has to provide for himself.

Mr. McClellan: That amount—\$99,660—is a lot of money. It is a very generous settlement. We repeat, there are other options than simply firing vast amounts of money in a certain direction.

But the real problem is compounded by the way the government has chosen to pay the bill for this most generous wage settlement. It is 15 per cent for the doctors, 15 per cent added on to the OHIP premiums, and who will pay that? Again, the burden of paying for the centrepiece of the Treasurer's budget falls most heavily on low income people. It falls on those who can least afford to pay to provide the salaries for the best-paid profession in our society.

There is something very out of whack when a fundamental threat to the health care system results in a two-class medicare system—one for the rich and a less effective one for the poor. It rewards the providers of service at an exceptionally generous level of remuneration by imposing the most severe burden on those who are least able to afford it. There are so many things that have gone out of whack in the health care system from the delivery end to the financing end that it causes one some measure of despair.

I have raised with the Premier on a number of occasions—I do not intend to belabour the point, particularly since the Premier is not paying the slightest bit of attention—the fundamental inadequacy of the government's premium assistance program.

9:40 p.m.

The premium assistance program is ostensibly designed to make the premium system somewhat progressive, to ease the burden of regressivity that is an inherent feature of a flat rate premium system. I do not know how much more proof the Treasurer or the Minister of Health, whom I see in the wings, need that the premium assistance program is utterly ineffective. Earlier in the session we reviewed the statistics that had been so recently provided. I remind the Treasurer that at the time of the

1978 select committee, it was estimated by his own staff that something in the order of 160,000 Ontarians were eligible for partial premium assistance.

Today, two and a half years after the staggering revelations that virtually nobody was getting partial premium assistance, there are only 8,174 subscribers in Ontario who are getting partial premium assistance, despite the fact the criteria for eligibility have been made increasingly generous. So many thousands more people are eligible for partial assistance in 1981 than there were in 1978. In reality, it is virtually a secret program that is not advertised and is not known by the majority of people in this province. The administrative machinery for application is as secret as the program itself. There was a time when the Ministry of Health refused to make application forms available to MPPs and their constituency offices. That problem has been remedied.

The Treasurer knows the program does not work. He knows the premium system has become something of a payroll tax for most people. I believe 70 per cent of subscribers pay for OHIP through their place of employment, so it has some of the features already of a payroll tax. He knows the premium assistance program is not working. He said as long ago as 1979 that the premium assistance program was not working.

He said as long ago as 1979 that we needed—he suggested that it would make sense, let me be fair, to move towards—a tax credit program taking into account some of the realities. We do not believe in a premium system at all. The Treasurer knows that, just in case he wants to try to misinterpret what I am saying. But if he wants to try to deal with the fundamental unfairness of the way OHIP is financed, he has only to follow his own advice to himself in 1979 and institute a tax credit program that would ease the burden of OHIP premiums in an automatic way, in an administratively efficient way, and eliminate the premium assistance program, as was recommended two and a half years ago by the select committee. That at least would be a supportable budget measure, rather than the kind of regressivity that characterizes the entire budget, but which is so glaring and blatant with respect to the proposed premium increase.

I do not hold out very much hope that this government is going to address itself to the first problem I spoke to of extra billing and doctors opting out. I think the Minister of Health will

continue to try to stonewall with numbers. He has not been doing too well lately with his numbers on hospital beds. He has not been doing too well lately with his numbers on doctors opting out. He does not seem to be able to provide those numbers for us. He likes to keep his numbers up his sleeve because whenever the numbers come out they reveal his statements that all is well in the health care system are basically false, basically not accurate.

Mr. Philip: Where are the chronic care beds?

Mr. McClellan: All those chronic care beds were promised in December, 1980. There were more than 3,000 chronic care beds to be put into place in 1980. They all evaporated, they all disappeared. Of all those nursing home beds that were going to be built, how many of them have been built? What about all of those active treatment beds that were not being cut out of the system? All of a sudden we get the numbers this month and find that more than 4,000 active treatment beds have been cut out of the system. Where were all the chronic care beds that were going to replace those active treatment beds? Almost 1,000 chronic care beds have been cut out of the system.

The Minister of Health, in a moment of carelessness, released statistics on hospital beds to the Legislature. I am sure he is chastizing his staff even now for their clumsiness in making that information available to members of the assembly. But in those figures he is revealed to have been trying to hide the realities of what he has been doing during five years of budgetary constraints and cutbacks. The realities in that area are exactly the same as the realities with respect to extra billing and opting out.

The numbers tell the same sad story and it is not an easy message to communicate. It is esoteric. It has to do with the mysteries of administration and numbers crunching. It is kind of boring and it is kind of difficult to talk about and it is easy to fool the people. It really is easy to fool the people on these matters.

The Minister of Health has become a real master at that game. Because of that mastery, that numbers manipulation, I hold out very little hope that the fundamental problems I have been talking about tonight are going to be dealt with by this government. The only thing this government has been interested in doing is hiding the realities behind manipulated figures and funny statistics. That is the game that has been played for the last three years. That is the game that continues to be played.

I would hope the Treasurer would at least have the decency to follow his own advice with respect to one small problem, the unfairness of the OHIP premium. I hope he would bring in a tax credit and replace the premium assistance program which has not worked since its inception.

Mr. Peterson: Mr. Speaker, it is not my intention to filibuster this resolution the way my friends from the NDP have but to sort of humbly follow my very eloquent and qualified colleagues, the member for Ottawa East (Mr. Roy) and the member for Renfrew North (Mr. Conway).

I just have about four or five of what I consider relevant matters on this interim supply motion that trouble me and have yet to be resolved by the government. I addressed this matter briefly earlier today and I do not intend to repeat that argument. I do not intend to go into all the supporting documentation I brought to the government's attention at that time.

I believe—and I have yet to be dissuaded even by the protestations of the honourable House leader (Mr. Wells)—this is a fairly irregular procedure. I would like to hear the Treasurer (Mr. F. S. Miller), as the chief financial officer for this province, explain out of his own mouth what in my judgement is an irregularity in procedure.

I just want to recall briefly the sequence of events. On March 10, there were management board orders for \$4.7 billion. I hope I have established this afternoon that the management board order, a special warrant as it is known under the Management Board Act, is for special occasions—for emergency situations.

9:50 p.m.

I am glad the deputy and his staff are sitting over there, because they may have an opportunity to learn something here tonight for the first time in 20 years or so. That special warrant is to be used, for example, if a building is falling down or if it needs repairs—an emergency situation. We would understand the use of emergency funds if, for example, there were a forest fire or a tornado or a natural disaster of that order. That is when this special kind of warrant comes into effect.

We also recognize that the intervening election was a special circumstance requiring a management board order to allow the government to spend moneys in the ordinary course of events. But in our judgement they did not need roughly one quarter of the total year's expenditures by way of a special warrant.

In my experience, at least—and I defer to some of my colleagues who have been here longer than I—this is a highly unusual situation and a disproportionately large amount of money in the circumstances. I clearly recognize the right to issue a warrant on March 10, but it could have been regularized when we came back on April 23 or 24, at least in the first week. It is now roughly two months after that, and the delay is very disconcerting—at least to me.

They should have moved quickly to regularize that irregular or special procedure which is provided, and I think I have suggested the historical argument for so doing this afternoon. The House leader is a man for whom I generally have a high degree of respect but I was greatly dissatisfied with his answer this afternoon. I thought it was not relevant.

He mentioned something about a House leaders' meeting. In my judgement no meeting he has with any House leader, be it mine or the New Democratic Party's or anyone else's, can surpass or supplant the essential elements of parliamentary procedure. Among these elements is the supremacy of parliament when it comes to the voting of supply or the approving of expenditures. That is one of the most sacred and historically relevant and meaningful obligations we have as members of parliament. If that goes, those Jeremiahs who see the demise of parliament are going to have even more fodder for their argument.

Surely we should keep that historical and sacred right in our hands here to approve those expenditures. I have not seen that. I think it could have been regularized far earlier. I cannot comprehend why the government chose to go by way of a special warrant for that amount of money.

Now we are presented with an interim supply motion on June 11—my date may be out one or two days, but approximately in that area—and we have been asked to vote supply retroactive to June 1. That in itself is a very extraordinary procedure. We are asked to regularize things after the fact. The House leader said today in explanation that we voted \$4.7 billion for a three-month period, but his words today were "some of that has run out." He said, "Some of that in some of the ministries may run until the end of the month; some of it may not." When questioned why it should go back to June 1 he said, "Some of it may have run out, so we must have a retroactive cover for those expenditures."

If the members follow the House leader's own

logic then this House has been operating illegally. I cannot prove it, but that is his argument. He is saying some of the ministries do not have the money, that they were not voted supply, this House has been operating illegally. There has been no appropriation for the expenditures that have gone on. I regard that as a denial of the most basic law by which parliament functions.

He went into some great explanation about how an election intervened, how this was approved on March 10—I am sorry, is it March 10 or March 20? I have said to him before I think this could have been regularized as soon as we came back, and we would not have had this kind of discussion today wherein we had to call upon historical precedents to look at the special warrants and the usage of those special devices. But it was an inappropriate usage of those devices. Now we are trying to regularize that by interim supply after the fact. Any way we look at it, either from the beginning or *ex post facto* from the supply motion looking back, something was irregular. And I am not satisfied with the explanations.

I hope the Treasurer tonight in his explanation will tell us how this came about and why it was not cleaned up later. It is not good enough for me that the House leader has some quiet agreement—I do not care with whom—and can just bypass the basic laws of this parliament if, in fact, such an agreement existed. I have no idea what signatures he has or what agreements he has, but as a private member I have been interested in the whole supply procedure and the public accounts procedure and the accountability of parliament and the members to government spending.

I have spent some time on this, from a public accounts point of view, from an estimates point of view and from a House point of view. I do not think the House leader has the prerogative to bring to the other House leaders the suggestion that they can contract out of this basic parliamentary responsibility. That is why I am most dissatisfied with it. I am not persuaded by his argument that it was because there was an election. Granted it was extraordinary in the circumstances, but he cannot pretend for a minute he was voting with those special warrant supplies to bridge over two years. Those special warrants start on April 1, the beginning of the new fiscal year.

Some may regard this as a mere administrative detail to be cleaned up appropriately so that we can carry on. But, Mr. Speaker, I know you have some feeling for the sanctity of this

institution. Maybe our rules are archaic, maybe they are wrong and maybe we could make them more germane to the issues and the functioning of business in a modern world. Maybe that is the case but that is not what I am saying today.

As long as we have rules and we, the 125 members, do not respect them, if we do not respect the rights and privileges of every other member here on an individual as well as on a collective basis, then that is the start of the disintegration of democracy. We are here to uphold those traditions. I am one of those, frankly, who even regrets the passing of some of the democratic traditions that have upheld this House since I, at least, was a member. For example, I favour calling the other members by the names of their ridings—the member for Erie or wherever. I think we are breaking some of these rules far too promiscuously for our own good, as well as for the good of the people we represent.

That is a small point and something I do not feel is your complete responsibility, Mr. Speaker. But I had an important point to make this afternoon after a great deal of thought and discussion with a number of experts in this area. I think it was a violation of what is important here. I think the government should pay more attention to those things. I hope in his explanation tonight the Treasurer will, from his own vantage point, try to explain and regularize the procedure that, in my judgement, has been highly irregular.

Mr. Philip: I would like to spend just a few moments dealing with certain moneys that are being spent or not being spent in certain ways I disagree with. What we are really doing when we pass interim supply is saying certain programs are going to be financed and others that are perhaps even more deserving are not. Therefore, the priorities of the Treasurer—the way in which he chooses those projects and the way he chooses who will be taxed to finance the projects—concerns me. If there was ever a hoax perpetuated on innocent hard-working people, it is the special needs agreement and special services agreement this Treasurer has initiated.

10 p.m.

This Treasurer will stop at nothing to tax the middle class while ignoring the corporations. An example is the program outlined in this red booklet called, *About Special Needs Agreement and Special Services Program Agreement: A Booklet for Parents*. It is a program to tax those people who happen to have the misfor-

tune of having a retarded child. The ministry does not have the guts simply to tax those unfortunate people. Instead it has to disguise it under the camouflage of providing some kind of agreement to provide an individualized service plan for the needy child.

It recognizes the parents of children in such institutions as the Huronia Regional Centre are concerned about their children, are concerned about the care or lack of care they are getting and that they are able to play on the emotions of these parents. The very fact the government feels it can play on the emotions of parents in this way is an admission of the failure of operations such as the Huronia mental health centre.

If I thought that by voting with the government tonight I could somehow improve the services to the mentally handicapped and the physically disabled I would be more than anxious to do so. But I am afraid the booklet by the ministry turned out to be the worst form of blackmail and con artistry I have seen the government perpetrate in a long time.

I would like to read a section of it. Under the heading, "Special Services Agreement," it states on page three: "When the special needs agreement has been signed, you can take an active part in negotiating your child's program and including information about it in the special services agreement. This agreement is between you and the service provided and it clearly outlines the special services your child will be entitled to receive and will identify the ways in which you and the resident staff will attempt to meet your child's needs."

What it is really saying to the parents in no uncertain words is, "You have a child who needs certain things, but he will not get them unless you agree to pay for those under this agreement we are forcing on you." I say that is a form of blackmail by the government, by the former Minister of Community and Social Services (Mr. Norton), and now being carried out by the present minister (Mr. Drea) and the Treasurer. The implication is, "Either you sign the agreement or your child does not get the kind of treatment he needs." That is blackmail on innocent people.

Page seven is also interesting. It says: "What sort of special services might be negotiated? Special hearing programs, special training for the visually handicapped, communication and language development, artificial limbs and wheelchairs are some of the examples."

In a province as rich as ours, one would think

a humane government would already be providing those services. The fact parents have to negotiate for this is an indication of the failure of the program in the first place.

Mr. Foulds: The fact they should be called special services is disgraceful.

Mr. Philip: Absolutely disgraceful.

This booklet indicates that certain services will be negotiated, not that they will be provided. What one is buying then is something way out there. P. T. Barnum, the great carnival con artist, would have been proud of this. He always said: "What you sell is not something concrete or specific. What you sell is a hope. You play to people's aspirations of what they like and as long as you can sell something that is abstract but do not have to produce anything, then you have got a good con."

But Barnum had some sense of ethics—more than this government. While his philosophy was that there is a sucker born every minute he also recognized and had certain ethics that there were certain marks one did not touch. Barnum would not have seen as a mark the parents of disabled children and that is what this government is doing.

What is this carny book really selling? On page eight it tells us that it is selling participation. It is going to sell the participation of the parents in the rehabilitation programs, the educational programs and the development programs for their children. It says, "The service provider will introduce you to the staff who are caring for your child." One would have thought the people whose children are there would already have been introduced to the staff. That is just common sense.

It also says, "The residents will inform you of any medical problem affecting your child." That is a relief. We know of countless horror stories coming out of Huronia where the parents have not been informed. At least that is a step forward. There is a promise they are going to be informed. They are going to be informed when their child is given too many drugs, I suppose.

"The services being provided will be reviewed within four months of signing the agreement and annually from there on. You are invited to take part in these program reviews and also to visit your child at any time."

It is selling participation. Parents are going to be consulted. The government knows parents have been complaining that they have not been consulted. I revealed one horror story last year

about the way in which the parents of a certain person were not consulted. The government managed to do a very nice coverup on that.

When we look at the agreement, that is where we see the fudge words. The agreement says:

"Although parents have the right to access to the contents of the file, in order to access parents in this regard where information contained in records is likely to be misinterpreted because of technical jargon or abbreviation or requires professional interpretation, a suitable summary will be provided in writing or verbally by an appropriate qualified member of the staff in order to make the information understandable to the person seeking it."

On one hand they are saying, "We are going to consult you" and on the other hand they are saying: "But the staff person may decide you are too dumb to understand the real implications of it so we are going to be there and we will interpret it. You will not see the file; we will interpret it."

We have seen some of those interpretations over the years and so have the parents and they know what they have done. It has been a fudge game to hide the inaccuracies, the inequities and the insufficiencies of the program.

It goes on to say: "However, information provided to the program by parents and other relatives which relates to the family or individual members of the family will be treated in confidence unless the person providing it has indicated that it may be disclosed."

There is some reason for that and one can understand it. However, having that in the agreement without any kind of explanation is simply an indication to the average person reading it that, "We are going to consult you but on our terms. You may be sure if we do not want you to have any kind of information, we are not going to give it to you."

This program is really a revenue-raising program. It is disguised as a program that will give new services in some way but there are no new services spelled out. It is disguised as a way of providing people who are afraid and anxious about their children with some hope that those children will get extra services. It is providing a hope but no concrete proof that anything will come from it. It is a way of taxing those people who have the misfortune of having a child who is mentally retarded in some way. That is all it is.

The government's own papers indicate that the agreements should generate \$18 million to \$22 million over a period of 10 years. That is the Treasurer's game. It has nothing to do with

helping these children. It is a revenue-producing mechanism. He does not want to tax the corporations so he will tax the parents of mentally retarded children. Since there are 1,800 families affected in this province, those are the people who are being taxed by this program. It is a tax, in no uncertain terms.

10:10 p.m.

A single parent who earns \$12,000 a year and has a child in a residential program will have to contribute \$1,080. I will admit I do not know the number of single-parent families earning \$12,000 who may be affected by that. No doubt the government will have some figures. Rather than dwelling on those very needy cases, I would like to share with members a case that is probably more typical, an average middle-class family and the effect it has on them.

This family is a hard-working family. They are the kind of people who have made this province great, people who have immigrated from Europe, learned the English language, worked hard, bought a home by having both parents working, and are attempting to bring up their family. They are well respected and liked in their community in Rexdale. They have built a home and worked on it with their own hands and are trying to contribute to this society. They came to me and said, "If we thought that agreement would do something for our child, if we thought it would provide some extra service, we would run to sign it. But what we have is a contract that is one-sided, where they get the money and we do not get any concrete proof that anything will change or improve."

They said to me, "Use our names." I will not use the names, but I will use the name of the child and tell members about her case. Tammy went to Huronia Regional Centre in Orillia five years ago. At that time there was no charge. Huronia started taking Tammy's family allowance two years ago. The family have another child who is 13 years old and has three heart defects. She has had heart surgery on two occasions. She goes to a special school, grades one and two, and is not able to care for herself—that is, grooming, bathing and so forth—so the family has additional costs related to that other child.

The family visits Tammy almost every weekend; they counted 42 weekends in 1980, and it is over 100 kilometres one way, which with the additional gasoline tax the minister is imposing on us will mean even higher costs this year and in the years to come. The mother feels that Huronia is understaffed and that Tammy does

not get good care. She believes Tammy might be abused from time to time. Those are her words to us. Tammy's condition developed because she was allergic to whooping cough vaccine. She went into seizures and developed brain damage due to lack of oxygen.

That is the typical kind of hard-working middle-class family that this form of taxation disguised as a service is hitting. The minister is not content that he hits the average middle-class suburban family with his gasoline tax, but he has to also hit some of those hard-working people with an additional tax. He looks around and says: "Which group can I find? I am not going to attack the corporations; I will charge them less tax as a total percentage. So let us find some group I can pick on. After all, the parents of mentally retarded children are dispersed and so forth. So let us sock it to them." That is what he has done.

These parents, if they could have some concrete proof that for once their children would get adequate service, would probably flock to sign the agreement. But they have not. What we have is a government that decides with which patronage group they will deal. Who is going to get the goodies? We see that even in the way in which they handle their handouts to companies. We saw that in the seven per cent sales tax reduction. There are pros and cons of removing the seven per cent sales tax, but surely there is a need for some consistency.

I would like to read a letter written to the Treasurer on June 10, by a corporation in my riding, Steel-Arch Structures Limited. The basic point of this is, if he is going to hand out a grant, a subsidy, an assistance to business, then he should at least be consistent. I would like to read it to the Treasurer, just to remind him of it. I do not know whether he has answered the letter. There was a carbon copy to me, so I would have thought if he had answered it he might have sent me a copy of his reply, but I have not received it yet. It is from Steel-Arch Structures Limited, Clairville Drive in Rexdale.

It says: "Dear Mr. Miller: Please find enclosed copy of the Ministry of Revenue letter dated December 1, 1980. Your sales tax exemption on building materials from November 1980 has to a great degree helped to stimulate sales up to this time, particularly to the farm community which represents a large percentage of our sales.

"However, as much as your exemption stimulated sales, the present rule that the materials must be delivered by June 30, 1981, is beginning to de-stimulate sales and cause delivery problems for us and our customers.

"We understand the furniture manufacturers and distributors lobbied to get delivery delayed to September 30, 1981, providing purchases were made on or before June 30, 1981, the reason being that the furniture could not be manufactured on time for June 30 delivery.

"We are in the same position inasmuch as we cannot keep up with orders to be manufactured and delivered before June 30, 1981, and therefore have the same problems as furniture manufacturers.

"We have had discussions with Mr. Tom Sweeting, Mr. K. S. Krishnan and the office of the Honourable Tom Wells, MPP, who were sympathetic to the problem and all suggested we contact you directly."

They contacted the minister directly through the letter. They said: "We would appreciate the same consideration—and our customers as well—especially the farmer." It is signed by Jim Bird, vice-president of the company.

In a similar way, while the government seems to be able to give to the furniture manufacturers an extension but not this company, Steel-Arch Structures Limited, in an even closer and more analogous situation it has failed to do the same thing for the kitchen cabinet manufacturers. Kitchen cabinets, to my way of thinking, are another form of furniture. Why is it if the cabinet happens to be standing on the floor and not be attached to the wall it is a piece of furniture and, therefore, the seven per cent sales tax is removed, but if it is attached to a wall it is not? That is the inconsistency.

Mr. Peterson: Just because you have yours in the living room does not make it furniture.

Mr. Philip: Kitchen cabinets even in the living room, if attached to the wall, are not covered by this. That is the inconsistency of the Treasurer.

I would like to read to the minister a letter from Gregg Kitchen Cabinet Centre. It is addressed to me and it says: "Thank you for your interest in our present problem with the return of Ontario sales tax on June 30, 1981.

"The problem is that many people have already purchased kitchens and are continuing to do so in the hopes that they can purchase them before the resumption of the sales tax. Unfortunately, kitchen cabinets are somewhat less available than furniture. As each kitchen is different, the kitchens must be more or less made to fit each individual application.

"We at Gregg, one of the largest suppliers of kitchen cabinets in Canada, have no hope of supplying most of the existing orders that our customers have placed before the June 30

deadline. Therefore, the customers who have placed these orders with us will have to pay the sales tax.

"The furniture industry has been allowed to accept orders until June 30 and then has been given until September 30 to make delivery with no sales tax charged to their customers. As furniture is more readily available than kitchen cabinets, we find this law very hard to understand, and even harder to explain to our customers who were planning not to have to pay sales tax." The letter goes on in a similar vein.

Basically, what the kitchen cabinet manufacturers are saying is that a lot of the furniture that is sold, or a certain percentage of it, is imported furniture. They are manufacturing another type of furniture that is entirely Canadian made, with the exception of a few luxury lines that do come in from northern Europe, but for the most part, more Canadian than the furniture manufacturers as a total percentage, so why do they not get the same kind of consideration?

10:20 p.m.

In using these three examples, I am pointing out to the Treasurer if he wishes to give out various kinds of monetary concessions to corporations or to whatever group, at least there should be some consistency. I do not expect him to be consistent. He has never been consistent. He listens to whatever happens to be the most powerful lobby at the time. He has chosen to pick on the parents of children who happen to be mentally retarded, he chooses to pick some manufacturers over others, and that is the whole patronage system by which this Treasurer operates.

Mr. Renwick: Mr. Speaker, I have no wish to delay the debate but I have a single topic that I do wish to deal with and it is certainly not going to be possible for me to deal with it in the next seven minutes of the House.

Mr. Riddell: Let us give it a shot.

Mr. Renwick: Let us not give it a try. I certainly do not intend to operate under any compulsion of the clock. I want members to understand that. I have no interest in delaying the process of the House but there are important matters that I want to put before the Treasurer. To divide it into two parts seems to be an irrelevant procedure at this point.

Would it be possible—rather than having me

speak irrelevancies for five or six minutes—to see the clock saying 10:30 o'clock and I could move the adjournment of the debate?

Hon. Miss Stephenson: No.

Mr. Renwick: I will talk about some irrelevancies, then.

Mr. Speaker: Do we have the consent of the House? No?

Hon. Mr. Norton: Neither for adjournment nor for irrelevancies.

Mr. Speaker: Order. The member for Riverdale has the floor; carry on.

Mr. Renwick: I think perhaps I could put on the record a table of figures that I wanted to use in the course of my remarks, which will take me a few minutes, and presumably by then it will be 10:30. I can then make the substance of my remarks on another occasion.

I have the average net incomes in Canada for the period from 1962 to 1978 based upon the returns filed for income tax purposes in Ottawa. The specific items I want to deal with are the average net income of a doctor in each of the years 1962 to 1978, and the ratio of that doctor's average income to the average income of all employees in Canada.

Therefore there are three columns: the year, the doctor's average income for that year expressed to the nearest thousand dollars, and the ratio of that doctor's average income to the average income of all employees in Canada. They are as follows: 1962, \$18,000, 4.9; 1963, \$19,000, 5.1; 1964, \$21,000, 5.4; 1965, \$23,000, 5.6; 1966, \$25,000, 5.6; 1967, \$27,000, 5.8; 1968, \$29,000, 6; 1969, \$32,000, 6; 1970, \$34,000, 6; 1971, \$39,000, 6.5; 1972, \$41,000, 6; 1973, \$42,000, 5.7—

Hon. Mr. Norton: On a point of order, Mr. Speaker: I believe that the honourable member is incorrect in his statement with respect to 1972. My recollection is that it was \$40,999 as opposed to \$41,000. I wish you would direct him to be more accurate in the statements he is making in this House.

Mr. Renwick: As a matter of fact the minister, as usual, is incorrect. It was, in precise figures, \$40,728.

Hon. Mr. Norton: See? I knew he was wrong.

Mr. Renwick: For 1973, \$42,000, 5.7; 1974, \$44,000, 5.1; 1975, \$46,000, 4.7; 1976, \$48,000, 4.3; 1977, \$51,000, 4.2; and 1978, \$53,000, 4.1.

Mr. Speaker, it being now about 10:30 I move the adjournment of the debate.

Interjections.

Mr. Renwick: Well, according to my clock it is 29 minutes past. Perhaps the minister—

Mr. Speaker: Mr. Renwick, I think we have two and a half minutes in which you can continue.

Mr. Renwick: You would like me to continue?

Mr. Speaker: I will remind you at the appropriate time.

Mr. Renwick: Perhaps the Minister of the Environment would answer me. What time does his clock say?

Hon. Mr. Norton: Am I invited to respond to that, Mr. Speaker? I always operate at a much greater rate of speed and with greater accuracy than the honourable member opposite. However, I must say that on this particular occasion his clock has got ahead of him. The correct time, I believe, is approximately 10:28 p.m.

Mr. Speaker: One and a half minutes, Mr. Renwick.

Mr. Renwick: I have a message here from the Treasurer. It says: "Jim, were you aware that your party and the Liberals both agreed to pass interim supply tonight? Frank Miller." I was perhaps aware there was some arrangement about that. There was a matter that I wish to speak about, and I intend to speak about it.

Mr. Nixon: That is right. The member has every right to do so. Now he can move the adjournment.

Mr. Renwick: Now I can?

Mr. Nixon: Yes.

Mr. Renwick: Thank you. Is that agreeable?

On motion by Mr. Renwick, the debate was adjourned.

The House adjourned at 10:29 p.m.

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No. 53

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament
Friday, June 19, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Friday, June 19, 1981

The House met at 10:02 a.m.

Prayers.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Swart: Mr. Speaker, I rise on a question of privilege. One week ago today my leader and I asked several questions of the Minister of Health (Mr. Timbrell) with regard to his lack of involvement in the urea-formaldehyde foam issue and the recent statement that had been made by the federal Minister of Consumer and Corporate Affairs, Mr. Ouellet. The minister replied last Friday, as reported at page 1532 of Hansard:

"I will be in a better position to comment once I have received from my staff the information that they get from Mr. Ouellet's office this morning and I can comment further on it early next week."

That was one week ago. I have received the report. The minister should have had it by this time, even if it came by pony express. Will you remind the minister, Mr. Speaker, that he accepted that obligation and that the members of this House expect him to keep it?

Mr. Speaker: I am sure the minister will take note of your inquiry.

STATEMENTS BY THE MINISTRY

PROVINCIAL RAIL POLICY

Hon. Mr. Snow: Mr. Speaker, I want to take the opportunity today to outline for the members of the House the direction that the government is pursuing with respect to rail transportation in this province.

As you are aware, sir, on April 30 of this year I tabled the final report of the Ontario Task Force on Provincial Rail Policy. Chaired by the member for St. David (Mrs. Scrivener), it made close to 180 recommendations relating to all aspects of rail transportation in Ontario. I am pleased to be able to report that a number of them have already been or are in the process of being implemented.

These findings and recommendations, as well as those from the Great Lakes/Seaway Task Force, have allowed the government to chart a

new course in transportation matters, a course that recognizes the responsibility of the provincial government to ensure that provincial priorities are adequately addressed.

Because we must be certain that we are getting the maximum benefit out of our entire transportation system, jurisdiction becomes less important than provincial priorities. This will require greater co-ordination and integration between modes and levels of government if we are to serve Ontario's best interests.

The task force members, especially the member for St. David, should be commended for providing us with the basic tools that will permit us to determine how rail transport not only can be improved but also can benefit all Ontario residents in the foreseeable future.

Briefly, the task force foresees that future to include:

- a stronger, more forceful role for the province;

- passenger rail service coming back into its own, with a new generation of high-speed trains having priority over freight;

- new, ultramodern passenger trains in an electrified Windsor-Quebec City corridor;

- a redesigned transcontinental passenger service with modern equipment and a fresh mandate;

- a mix of rail passenger services, including transcontinental, intercity, transborder, regional and local, and commuter, as well as specialized luxury and charter services to resort areas in Ontario and Canada;

- lighter, faster freight trains sharing greatly improved roadbeds;

- new-generation freight cars designed to service the specific needs of Ontario manufacturers, resource and aggregate producers and the agricultural industry;

- appropriately located multimodal terminals for both passenger and freight services;

- potential new commuter rail systems serving cities such as Hamilton, London, Ottawa and Hull, for example; and

- Ontario and Canada becoming a technology centre for the manufacture of advanced rail concepts, services and equipment.

These recommendations were directed not

only to the provincial government but also to the railways, municipalities and federal government for implementation, relating as they do to railway regulations, technology, operating practices, safety, the environment and the general economy. Hence, there must be close co-ordination among those sectors.

Yet, up front is the call for the province to assume a larger and more aggressive role in the planning and development of the rail system in Ontario. To this end, the Ministry of Transportation and Communications recently established a rail office which will be responsible for pursuing this new direction.

Of all the recommendations, approximately one third are currently being implemented, including the development of a master rail plan to systematically determine the level of provincial interest in various passenger and freight rail services and the analysis of area-wide needs prior to any abandonment of branch lines.

Another third are being actively examined for policy development and implementation as quickly as possible, including the retention of abandoned railway property by the province, the development of multimodal terminals, the promotion by government of railway research and development activities as well as a 125-mile-per-hour planning standard for high-speed passenger services.

The remaining recommendations, which are more complex, will require more time and the co-operation of many parties to achieve their implementation. These include direct provincial investment or tax incentives in railway rolling stock, infrastructure or operations, the acquisition of the Toronto-North Bay Canadian National rail line, shared use of track, the possible electrification of the Ontario Northland Railway in whole or in part, and the alteration in responsibilities of the Canadian Transport Commission and the Canada Department of Transport. These will require considerable assessment and discussion among the provincial government, the railways and the federal government.

Over the next few months, we intend to further classify these recommendations into subject categories and to establish assessment and implementation priorities. I will keep the House informed on this work as it progresses towards eventual clear-cut policy options for cabinet consideration. In the meantime, I would like to hear, from the various parties involved, their views and opinions on the many subjects raised by the task force.

Finally, let me add that the Ontario government's commitment to act on rail matters is critically linked to the Board of Industrial Leadership and Development program, this government's blueprint for the next decade.

COMMUNITY PROGRAMS

Hon. Mr. Leluk: Mr. Speaker, I wish to inform honourable members of the progress being made by the Ministry of Correctional Services in finding acceptable alternatives to imprisonment for many thousands of offenders.

The success of our community programs has come about because of the willing participation of judges who are prepared to use alternatives to short-term jail sentences and because of the participation of ministry staff, private agencies and volunteers, all of whom are providing us with excellent services.

People who commit violent or other serious crimes should be incarcerated. We have the secure facilities and professional correctional staff necessary to handle these offenders. What is not widely understood by the general public, however, is that serious crimes, such as murder, bodily assault, armed robbery and sexual offences, represent less than six per cent of all crimes in Ontario.

10:10 p.m.

Those people who are convicted and sentenced to less than two years serve their time in an Ontario institution. Many of them are guilty of offences such as theft under \$200, liquor offences and vandalism. The average correctional centre inmate is 16 to 24 years old, male, single and has limited education. Less than four per cent have post-secondary education, while 27 per cent did not pass grade nine.

There is disturbing evidence that many of these young people are likely to become habitual offenders. Our statistics show that nearly two thirds of our inmates have had previous contact with corrections. We are seeing too many of the same people time and time again.

The number of offenders who are serving very short sentences, 30 days or less, is staggering. More than half of our inmate population—in fact, 57 per cent—are serving these short terms. Because these offenders are with us for so short a time, they are unable to participate in many of our rehabilitative programs.

The Ministry of Correctional Services is not satisfied with this situation and for the past four years has been experimenting with alternatives to minimize the revolving-door pattern experi-

enced by many of our clientele. I want to share the results of these alternative programs with honourable members.

One alternative to a short-term sentence is to place certain minor offenders on probation and require them to work for the community for a set number of hours. Currently, we have 40 agencies throughout Ontario supervising these community service orders. Last year there were 5,000 probationers involved with community service orders. Their 450,000 hours of assigned work represents a value to the community of more than \$1.3 million.

Our figures show that 96 per cent of these probationers complete their community service work, that 20 per cent actually do more hours of work than their sentences require because they enjoy the experience and, most significantly, 88 per cent remained crime-free for one year following the completion of their community service order.

Another alternative we have been encouraging is restitution. A probation order that requires restitution by the offender to the victim means the offender faces the consequences of his crime. Currently, more than 4,000 probationers are repaying their victims for losses as a condition of their probation order. Within the last year, this restitution totalled a staggering \$3 million. When other victim repayments are included, the amount exceeds \$4 million.

Restitution is proving successful in persuading many young offenders to act responsibly by encouraging them to get and hold jobs. Often, this results in the offender becoming a law-abiding citizen.

A third approach is the expansion of community resource centres, which are correctional residences in a community setting managed for us by private agencies. Selected inmates are carefully screened for placement in these homes. Many work during the daytime at regular jobs, and others attend school. The cost to the taxpayer is less than \$25 per day per resident, compared with \$62.50 per day for an inmate in our institutions.

Last year, the residents in our 47 community residences earned \$1.8 million. Out of this amount they paid \$520,000 for their room and board and \$450,000 to their dependants. Significantly, 80 per cent of these inmates remained crime-free one year after completing their time with us.

A fourth innovation we have been using is employment programs for parolees and probationers. Again working with private agencies

and our probation and parole staff, we are teaching these offenders how to find and hold jobs. During the past year, 2,200 offenders received job training and job placement assistance.

Our studies show that only 50 per cent of probationers who are unemployed at the termination of their orders remain crime-free for the next two years, but 70 per cent of those who are employed when they finish their probation term remain crime-free for the next 24 months.

I am proud to state that these are just four exciting examples of programs that symbolize major breakthroughs in reducing recidivism among thousands of offenders. This success has prompted me to escalate our involvement with qualified private agencies so that we can enlarge upon the scope of these and other services as well as pioneer further alternatives in sentencing our inmates, parolees and probationers.

I am pleased to announce that this fiscal year the Ministry of Correctional Services will spend \$10 million on 225 community contracts with 130 agencies throughout the province. These contracts are very cost-efficient, which is good news to the taxpayers. They are helping to ease the overcrowding of our jails and detention centres during a period of constraint.

In conclusion, it appears that our programs are encouraging a growing number of young offenders to abandon crime and lead more responsible and law-abiding lives.

GOVERNMENT USE OF S.I.N.

Hon. Mr. Sterling: Mr. Speaker, I am very pleased today to announce that the government of Ontario has taken an important step towards ensuring greater personal privacy for the information that government collects on individuals.

Members will recall that in December 1980 my predecessor and colleague the member for Cochrane South (Mr. Pope) announced to the Legislature that effective June 30, 1981, government use of social insurance numbers would be restricted to income-related programs and health records.

Originally, the social insurance number was adopted by the federal government for the administration of income-related programs such as the unemployment insurance program and the Canada pension plan.

Over the years, the use of social insurance numbers became more widespread. From a bureaucratic perspective, this was seen as advantageous in increasing the administrative efficiency of programs. During this time, however,

there developed a general belief that a potential for infringement of individual privacy existed with the increased use of the social insurance number as a unique personal identifier.

At the federal level, the privacy commissioner responded by recommending that individuals should be allowed to apply for an exemption from having a social insurance number.

It is my pleasure to announce to the House that in Ontario, consistent with this government's previous commitment, guidelines to restrict the use of social insurance numbers are to be included in the Ontario Manual of Administration. The Ontario Manual of Administration is used to set out guidelines relating to the administrative practices of government. These guidelines, I believe, address the concerns that have been expressed surrounding the increased use of the social insurance number within the Ontario government as a unique personal identifier.

Effective June 30, 1981: (1) all government ministries, schedule one agencies and all ad hoc bodies shall restrict the collection of social insurance numbers to income related files; (2) pending a decision to establish a unique personal identifier for health programs, the social insurance number may be used as an identifier for medical information; and (3) the social insurance number shall not be used as a personal identifier for other records without the consent of the individual.

I believe that these guidelines in restricting the collection of social insurance numbers are a rational solution to a problem where the mutually conflicting demands of citizens—the demand for privacy and the demand for efficient government—have been recognized and addressed.

CHILDREN'S LAW REFORM AMENDMENT BILL

Hon. Mr. McMurtry: Mr. Speaker, later this morning I will be reintroducing the Children's Law Reform Amendment Act. As many members will recall, this legislation will carry out a comprehensive consolidation and reform of child custody law and procedures in Ontario.

As Bill 140 in the previous session, this legislation received second reading and was referred to the standing committee on administration of justice. Unfortunately, the standing committee was unable to complete its work before the end of the session. Accordingly, it will be necessary to reintroduce the bill today.

Because most members are familiar with the bill, I will not review the contents of the bill in detail. The primary purposes of the bill are to ensure that the best interests of the child remain the focus of all legal proceedings relating to the custody of the child; to deter child abduction by strengthening the enforcement of Ontario custody orders and by recognizing custody rights arising in other jurisdictions; and to restate the law relating to children's property in modern language.

Except for one major addition, this bill is virtually the same as the bill that was presented for consideration by the standing committee in the last session. The major addition is the provision to implement the Hague Convention on the Civil Aspects of International Child Abduction.

This provision will establish Ontario as a world leader in the campaign to stop international child abduction. Indeed, Ontario may well become the first jurisdiction anywhere to implement this landmark convention. I am pleased at this time to pay tribute to my Deputy Attorney General, Dr. H. Allan Leal, who led the Canadian delegation, which played a leading role in the preparation of this convention.

10:20 a.m.

In brief, the convention creates reciprocal rights and obligations between subscribing jurisdictions for the return of a child who has been wrongfully removed from his home state. Since our courts usually order that a child who has been kidnapped to Ontario shall be returned to the place where he or she habitually resides, the convention will not significantly effect a change in Ontario law. However, the convention will provide major benefits for Ontario residents whose children are kidnapped to a foreign jurisdiction.

Mr. Cassidy: There were times when the Attorney General would not lift a finger against parents—not a finger.

Hon. Mr. McMurtry: Do I hear some sort of motor mouth across the aisle, Mr. Speaker?

At present, if a child is abducted from Ontario to a foreign state, the foreign state may allow the kidnapper to apply for a new custody order there without regard to the rights that have been conferred under Ontario law. Under the convention, any state that is a party to the convention will be required to order the return of a child wrongfully removed from Ontario. Therefore, the convention obviously will be of great assistance to Ontario residents in obtaining return of a child who has been abducted.

I was gratified by the support the proposals contained in this bill received on second reading of the previous bill last fall. I look forward to the same support when the bill is again brought forward for second reading.

GOVERNMENT PROTECTIVE SERVICE

Mr. Elston: On a point of privilege, Mr. Speaker: We have raised, I think on three different occasions, the matter of the report on the incidents between the Ontario Provincial Police and the Ontario Government Protective Service. I was wondering, since you had undertaken to report to us on your inquiry, if you could advise the House now as to the status of that matter.

Mr. Speaker: As I advised you yesterday when the question was raised, I have not received the report as yet.

Mr. Foulds: On the point of order, Mr. Speaker: Can you assure the House, having raised the matter yourself with an extensive report in this Legislature, that you will report more fully to this Legislature before it adjourns?

Mr. Speaker: I will have to wait for the report. I have already said I will present it as soon as I get it.

Mr. Foulds: Surely, Mr. Speaker, you have the responsibility, having read into the record that extensive report of one side, to hurry up the report that you are now seeking. Surely you have that authority.

Mr. Speaker: It is being done.

CHAMPLAIN SCHOOL

Mr. Boudria: Mr. Speaker, I wish to raise a point of privilege on a question that I asked of the Minister of Community and Social Services (Mr. Drea) on numerous occasions before.

I am sure you will recall that on May 7, as reported on page 436 of Hansard, the minister in reply to a question told this House that the Champlain training school in Alfred was going to be closed at the end of this school season because the facility was no longer required and that the mini-institutions that were going to be built were no longer going to be built for the same reason.

The minister told us, and I quote from Hansard, "Surely the member is not going to stand here and say, 'There has been a deinstitutionalization program concerning young offenders in this province which has been

mandated not by this party and not by this ministry, but with the full acceptance of this entire House.'"

Mr. Speaker: Order. That is not a point of privilege.

Mr. Boudria: Mr. Speaker, if I can just elaborate for a moment, I think the minister—

Mr. Speaker: Order. You can raise this during the oral question period.

ORAL QUESTIONS

INTEREST RATES

Mr. Nixon: Mr. Speaker, I wish to put a question to the Minister of Agriculture and Food.

Since the interest rates remain at their unrelenting and devastating high level, can the minister announce to the House that he, the Treasurer (Mr. F. S. Miller) and his other colleagues are preparing a program that will be announced to the House before the recess begins?

Second, can he explain to the House why his commitment for the establishment of a special financial committee to assist farmers has been unable to attract to its service any banker or farmer and is still operating only with civil servants—with great respect to the capable civil servants who are involved in it?

Hon. Mr. Henderson: Mr. Speaker, in response to the honourable member, I know that his question came out of a story in the Globe and Mail this morning. I told the Globe reporter that my deputy was attempting to get someone from the farm community to serve. My deputy informed me this morning that Mr. Henry Davis—

Mr. Nixon: Davis? Another one?

Hon. Mr. Henderson: Yes. I just asked the Premier if he is any relation, and he is no relation. Mr. Davis has agreed to serve as the farmer. Mr. Davis is a large cattle operator. He has a son carrying on that operation. I believe he will be an excellent choice.

My deputy told me this morning that he had contacted a retired banker who had agreed to serve. Some of the members were out at the Ontario Federation of Agriculture meeting two weeks ago, and they will remember that the president of the OFA agreed to have a name for me within, I believe he said 48 hours. I do not have that name yet; so, before I confirm the banker that my deputy has contacted, I want to make sure there has not been a letter go astray

between the federation and myself. By Monday or Tuesday, I will be able to tell members that name as well.

Our Treasurer has given members the assurance that we will be announcing some programs before the House adjourns.

Mr. Nixon: I do not actually recall getting that assurance, but I do recall the Treasurer being quoted as saying that he had about \$50 million to play with, a characteristically typical statement from the Treasurer.

Can the minister indicate whether it is his thought that a program will be announced in the near future, it is to be hoped in time to respond to the pressure of the upcoming no-confidence debate on Monday, to meet the needs of the farmers who are still losing their cattle, their pigs and their chattels on their properties as they are forced into foreclosure situations because of the continuing lack of action by the minister?

Does he now believe that there is some responsibility at the provincial level and that it does not all lie at the federal level of government in this country?

Hon. Mr. Henderson: I think the member will agree that the main problem is the hog producers and the beef producers. We know there are some problems as a result of the high interest rates.

The hog producers' problem, as I mentioned in this House, is the position that the federal government has taken regarding what they refer to as top loading from provincial plans. I have pointed out—and I do not mind telling members—that the cheques went to print on June 15, Monday of this week, to pay the stabilization money out for the sow-weaner program that we have here in Ontario.

I think I announced to the House that a week ago Wednesday, my staff went with the Ontario hog producers to the federal government and represented to the federal minister, Mr. Whelan, the fact that we believe we have exactly the same sow-weaner program as Quebec. We pointed out that Ontario was being penalized. Mr. Whelan at that time agreed to respond within 48 hours. That 48 hours was up last Friday night, and we believe it is still under active consideration by Mr. Whelan. This means between \$7 million and \$10 million to the hog farmers of Ontario.

If we get that corrected and get what we believe our farmers are entitled to from the federal government, it will be a great help. I will

be responding to other programs respecting beef and what have you. I will not guarantee it for Monday.

10:30 a.m.

Mr. MacDonald: Supplementary, Mr. Speaker: I have a question that might go more appropriately to the Treasurer but, since the rules do not permit that, let me put it to the Minister of Agriculture and Food.

The minister did not respond in any substantive way to the two-month-old proposals of the Ontario Federation of Agriculture at the meeting out at the Constellation Hotel, and yet his colleague the Treasurer teased them with the idea that there should be a response shortly and, in a sense, teased them again with this \$50 million to \$100 million.

How firm is the commitment that we are going to get a specific \$50-million to \$100-million response to the crisis out on the farm front, instead of talking about the \$7 million we have not got from the federal level?

Hon. Mr. Henderson: Mr. Speaker, the honourable member has been around longer than I have as a member of this House. He knows that more than half of the budget I administer goes in direct help to farmers, or about \$115 million of it. He knows full well that when the act was brought into the House to cover any problems of this nature, it was suggested at that time there would not be a figure in the budget but there would be a figure in supplementary estimates. Until I announce further programs, I cannot answer the member's question.

Mr. Epp: Mr. Speaker, I have a supplementary question for the minister with respect to his reply to my leader a few minutes ago—I mean my House leader.

Hon. Mr. Henderson: Your leader? Oh!

Mr. Eaton: Good to have you back, Bob.

Mr. Watson: Now we know what the situation really is.

Hon. Mr. Davis: What does Stuart say about that?

An hon. member: Nixon for leader. Nixon for leader.

Mr. Speaker: Order.

Mr. Epp: It is nice to see that they just woke up over there, Mr. Speaker. The members opposite just woke up.

I have a supplementary question for the Minister of Agriculture and Food. In his reply to the House leader of this party, the minister indicated his deputy had approached a former

banker to act on one of these committees, and he did not know who that person was. I am just wondering whether he is running the ministry or whether his deputy is running the ministry. Does he have any input as to who these people are who are being approached to serve on this committee? By his own words, obviously he does not know.

Can the minister assure this House that he will try to find out what is going on in his ministry and who is being approached on various committees without just rubber-stamping the various appointments?

Hon. Mr. Henderson: Mr. Speaker, it is easy to see the honourable member really does not understand. I asked my deputy to get a farmer who was well known as a farmer to serve on this committee. My deputy reported to me this morning. My deputy also told me this morning he had a banker who had a farm background and who is retired. He got that name at my request. But before we announce it, I am giving the Ontario Federation of Agriculture an opportunity—they sent me a letter that has gone astray.

My deputy is quite capable and acted on my request.

ATHLETIC SCHOLARSHIPS

Mr. Nixon: Mr. Speaker, in the momentary absence of the Minister of Education (Miss Stephenson), I want to put a question to the former minister, now the Premier.

Is the Premier aware that his continuing policies on athletic scholarships have resulted, according to this morning's *Globe and Mail*, in the Ontario universities voting to pull out of all intercollegiate men's national championships?

Is the Premier still of the feeling that athletic scholarships would so degrade the scholastic standards in this province that we cannot put ourselves in a position where we can compete with other provinces and where we will continue to lose a good many of our top athletes and top scholars to other jurisdictions because of this continuing policy.

Hon. Mr. Davis: Mr. Speaker, the momentary absence of the Minister of Education—in this case Colleges and Universities, in that this does not apply to the elementary or secondary school level—relates to the situation at Centennial College of Applied Arts and Technology. I hope

it is coming to some conclusion. I thought I would tell members where she has gone. It is a matter of some importance.

Interjections.

Mr. Speaker: Order.

Mr. MacDonald: Ignore the interjections.

Hon. Mr. Davis: I am ignoring the interjections. I am going to let them make them and I will just stand here silently. It eats up the clock. Who am I to argue?

I would say to the leader of the Liberal Party as he has been identified by the member for Waterloo North (Mr. Epp), which was a Freudian slip that probably indicates the three who are actively campaigning and are not here this morning are probably practising for their appearance in Kingston tonight. Obviously, the caucus that remains is supporting the member for Brant-Oxford-Norfolk (Mr. Nixon). Incidentally, Mr. Speaker, I agree that is totally out of order.

Mr. Speaker: Proceed with the question.

An hon. member: The minister has just arrived.

Hon. Mr. Davis: No, stay there. I have had a point of view on this subject for some considerable time and I really regret the actions of the Ontario universities. I am encouraged as I read the press report that perhaps they are reassessing what I guess is really traditional, perhaps even constitutional in terms of the universities' position.

Having been remotely exposed to some athletic scholarship programs as they exist in other parts of Canada and particularly in the United States, including the University of Michigan, I think it is fair to state that a proper program, properly administered with proper academic qualifications being the criterion, would not be negative in terms of the academic life of our institutions.

I can recall when I arrived on the doorstep of McMaster University as a prospective undergraduate student, my limited athletic talents related to the field of football but they offered me a Syl Apps scholarship. I would have accepted it if I had gone to McMaster. I would not have had any hesitation or reservation. I know the leader of the Liberal Party, for today at least, would have been in support of that since he was probably much older than I and already a student at McMaster, or at least I think he was.

It is important not to fall into the situation that exists at some universities in the United

States. In the experience of several major American universities the athletic scholarship program has obviously been abused. I think the press reports, while maybe exaggerated at some institutions, none the less indicate clearly that, at some American universities, students on athletic scholarships did not receive an academic program of validity. Certain practices were developed whereby examinations were perhaps written for them or examination results were not necessarily passed on to the dean's office from the athletic department.

I always regret it when Ontario students go to the University of Michigan, Michigan State University, or others of the northern state universities—even out to Colorado where we have had a number over the years. Some go on hockey or track and field scholarships and a few go on football scholarships. Even some of the Canadian Football League teams over the years have encouraged good athletes from within their communities to attend American universities on athletic programs. They have come back here to play football in the CFL.

This is an important question and I am glad the leader of the Liberal Party has raised it here this morning. I am encouraged the universities in the province are perhaps looking at it. From the government's standpoint, we have no involvement in it. I am now speaking very personally. I know the member for St. Catharines (Mr. Bradley), a noted academic himself, has very little interest in this subject because his interests have always been confined to telephone calls and the elementary school system.

I personally think the universities of Ontario should reassess their point of view and develop a program that is academically sound, which would encourage athletes in the province to remain here and allow Ontario universities to compete nationally.

Is the member not glad he asked the question? I want a supplementary.

10:40 a.m.

AUTOMOBILE INDUSTRY

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Industry and Tourism (Mr. Grossman) before he leaves the House. Does he continue to stand by the claims made in the promotional material delivered to us in January in connection with the Board of Industrial Leadership and Development, and repeated again as recently as April 27 in this House? The minister stated that more than 70 auto parts projects have been undertaken in the

last two years in Ontario and more than 4,500 jobs were involved in those new projects. Does he still stand by those figures for job creation?

Hon. Mr. Grossman: Yes, Mr. Speaker, we have provided that information in response to a question on the Order Paper. If the member has any information which indicates some of the plans of one or two of those companies have changed, I wish he would let us know. Our information is that the list remains accurate and up to date.

Mr. Cassidy: Supplementary, Mr. Speaker: Can the minister explain how it is that when we contacted 11 automobile parts companies, which accounted for more than one third of the new jobs the minister claimed were being created, between 1978 and 1981 those companies had an increase of only 40 new jobs? This was a net addition of only one new job for every 33 new jobs that were being claimed by the minister. If it is universally true that only one job is being created for every 33 claimed by the minister then how can we place any trust in job-creation figures put forward by this government?

Hon. Mr. Grossman: Mr. Speaker, the member is distorting—and he knows he is distorting—what we said in those documents. Either he is distorting them or he did not read them very carefully. The member knows we were saying that in that two-year time frame—I guess it was January 1, 1979, through the following 24 months—there were 73 major auto plant expansions creating a certain number of jobs. Those were the figures that reflected the jobs created from the plant expansions undertaken or announced in that time frame.

The member is saying that from 1978 to 1981 the number of jobs actually created in that time in those companies was different. I do not know whether his figures are right or wrong; I would not stand up, as he does, and suggest that his figures are wrong. All I am saying is that he is talking about something totally different. He is talking about the number of jobs actually created in place in a different time frame.

We were talking about the numbers of jobs that are going to be created as a result of plant expansions undertaken or announced in a different time frame. So they are two different things: first, a different time frame; and second, a different time frame for the job creation. We did not say anywhere that those jobs were in place today. As is the case with all the employment development fund cases and all the Ontario Development Corporation cases, when

investments are made the jobs created are taken over the time it will take that company to make the investment, complete the investment, open the plant and crank up its activities.

The number of plant expansions undertaken or announced in the period of time we were talking about will create, at the very least, the number of jobs stated in the BILD document and stated earlier in the information we put out. The member has no evidence to the contrary at this stage. The period for assessing the number of jobs created by that investment has not nearly expired. The earliest date at which the member could say those jobs were not created, as we and those companies had said they would be, is about three or four years from today, when the member will be back in the second row.

Mr. Kerrio: Supplementary, Mr. Speaker: Now that the government has seen fit to make investments in the auto industry I wonder if it would not augur well for the people of Canada, and more particularly for Ontario where we have the major part of the auto industry, for the minister to talk to the people in Ottawa and satisfy himself the auto pact is now performing a function in keeping with the new role the government is playing as an investor in the auto industry.

Hon. Mr. Grossman: That is a fair and reasonable question, in contrast.

We have been fairly explicit in saying the auto pact and the subsequent undertakings of the auto pact are no longer playing as effective a role as they must do, given the changing world environment. In the environment of 1981, which is affected by a dozen major changes in the world auto industry, an auto pact entered into in 1965 has to be readjusted. That does not mean it has to be terminated and no one is seriously suggesting that. But in my view, serious adjustments have to be made. In order to accomplish them one of the things we have said should be done at an early stage is to make public the performance figures, the compliance figures of the auto companies under the auto pact, so the public can better assess the performance to date of the auto pact and the companies under it.

The federal government has undertaken efforts to renegotiate portions of the auto pact, but they have not met with receptive ears in Washington. I think that is to be expected at this time. To be fair to the federal government—which I am not always—it is a difficult time to be back in Washington. With the number of plant closures and the number of unemployed auto

workers in the United States far greater than ours, there is not a receptive audience in Washington at the present time. Serious discussions are under way and I am hopeful that in the long term they will form the framework and lay the groundwork for a serious new look at the auto pact when things improve, perhaps over the next year or so.

Mr. Cassidy: Supplementary, Mr. Speaker: Is the minister not dealing in phantom jobs in the auto parts industry—phantom jobs the minister wants to claim for the political purposes of the Conservative Party because that is the priority this government has, rather than the interest of auto workers in Ontario?

Is the minister aware that in those 11 companies we looked at—since he mentions a different time frame—there has been a decline of 357 jobs between the beginning of 1979 and today, rather than an increase in employment? If the minister wants to take some specific firms, in specific cases the ministry is claiming that more jobs will be created in companies than even exist there today. He is claiming the creation of 130 jobs at Atlas Hoist in Cornwall, for example, where only 60 workers are employed today, or the creation of 455 jobs at Linamar Machine Limited of Ariss, where there are only 275 workers today. What kind of job creation is it that creates slogans but not real jobs for workers in Ontario?

Hon. Mr. Grossman: I notice the leader of the third party did not indicate in his question—and he may wish to rise on a point of privilege when I am finished—that Linamar or Atlas said our information was not accurate. Did the companies say to the member or his researchers that their current investment programs would not create the jobs we said they would?

Mr. Cassidy: They just told us how many jobs were there.

Hon. Mr. Grossman: They just told him how many jobs were there. Did the member ask them how many jobs would be created?

Mr. Cassidy: Yes, we asked them how many jobs were there. We checked and those new jobs the minister promised were not created. It is a phantom promise, that is all.

Hon. Mr. Grossman: Now I understand. I am glad I let the member interject. The leader of the third party consciously has not confirmed that he asked them how many jobs would be created as a result of the investment announced or undertaken in the last 24 months.

Mr. Cassidy: Where are they—one job for every 33 the minister claims?

Hon. Mr. Grossman: The leader of the third party knows a little bit about the auto industry, he knows a little bit about business. And he knows very well that in many cases major expansions are being undertaken by those firms as a result of the employment development fund program. He has that information, because I sent it to him. The EDF program was meant to allow firms to undertake major new projects. Those projects do not create a large number of new jobs until two or three years from inception, otherwise they would not be of the nature and size we are looking for. Until the leader of the third party is able to say the information we provided about Atlas and Linamar is something we made up—that it is fiction—he has no case.

10:50 a.m.

The leader of the third party is pointing out that these firms have a lot fewer jobs today than they will have. That is precisely why we are helping those firms. He likes to say there are fewer jobs today than there were a year ago, but the whole point of the exercise is that this government, over his objections, has given these firms some assistance to make sure that two and three years from today they will have more jobs than they have today or had a year ago. That is what will happen.

He has presented no evidence whatsoever to indicate what we said is not accurate. In fact, the companies he referred to are undertaking expansion programs. He called them and the companies confirmed that, I am sure.

If the leader of the third party is serious about discussing the realities of these firms and their investments, then instead of going the reverse route and suggesting there is all sorts of unemployment out there, why does he not provide me with the names of three or four or 11 companies to whose figures he objects, and say he believes that our information is not true? Then when he questions our figures, we will be able to have a fully informed dialogue on those 11 companies. He does not want to do that. Of the 73 companies we provided him, he has called 11. They have told him about the current situation. He has not asked them or told this House what they said about the future and he wants to create a bleak scene.

The member does no credit to his party and no credit to this province. In contrast to the bleak scene he presents the facts of the matter are that our programs are working in the automobile and other sectors. With the auto sector in North America struggling, the recovery in Ontario is such that in May this year there

were 179,000 more people employed than a year ago. This government has every right, as he can tell from our answer in the question period, to take credit for a fair number of those jobs.

Mr. Cooke: Mr. Speaker, I do not know whether it is a point of order or a correction of the record, but it will take me two seconds—

Mr. Speaker: Clarification.

Mr. Cooke: Yes. On April 27 in this House, in answer to a question I put to the minister, which then led to the question on the Order Paper and today's question, the minister indicated the following: "We have had 73 major new auto plants or expansions in the past 24 months."

The minister is obviously indicating today that he was misleading the House on that day because we are talking now about four years into the future.

Mr. Speaker: New question, Mr. Cassidy.

Hon. Mr. Grossman: Mr. Speaker, I am not going to let the member suggest that I misled the House, and I would ask you to ask him to withdraw that.

Mr. Speaker: Mr. Cooke.

Mr. Cooke: Those aren't new jobs.

Hon. Mr. Davis: But the workers sure appreciate it. They came and told me.

Mr. Speaker: Order, Mr. Cooke, would you please withdraw your statement that the minister misled the House?

Mr. Cooke: I did not say that, Mr. Speaker. If you will take a look at Hansard, you will see what I said was that the minister is indicating today that he was misleading the House on April 27. I did not accuse him of it. If he wants to clarify the record today and indicate he was wrong on April 27, that is fine.

Mr. Speaker: Thank you, Mr. Cooke; I will take a look at that.

HOSPITAL BUDGETS

Mr. Cassidy: I have a question for the Minister of Health, Mr. Speaker. Yesterday the Minister of Health told this House that despite the loss of 4,300 active treatment hospital beds over the course of the last couple of years, there were no problems in the hospital system. Would the minister explain why, if he believes there are no problems, the Toronto Western Hospital is cancelling elective surgery and the same thing is happening at the Humber Memorial Hospital, St. Joseph's Hospital, the Greater Niagara General Hospital, and at North York General Hospital?

This is happening because their beds are crowded and they cannot cope with the demands being made on their facilities. Why is it that across the province there are hospitals reporting to us that they are having to book off in terms of receiving ambulances or they are having to close beds over the summer because of shortage of funds? If there are no problems, according to the minister, why is he in such a fog he does not understand what is happening with hospitals across the province?

Hon. Mr. Timbrell: Mr. Speaker, I do not think I have ever said there are no problems in the system. In a hospital system as large as this with about 90,000 beds of various kinds, with more than 100,000 employees and with about 14,000 to 15,000 practising physicians, there are bound to be some problems.

What I am saying to the member is we have been consciously changing the directions of the health care system in this province in the last number of years, giving greater emphasis to chronic, long-term and home care. The member only has to look at some of the key parts of my budget which show that spending on home care is up 250 per cent in the last five years.

Mr. McClellan: From a base zero.

Hon. Mr. Timbrell: No, that is not from a base zero. We have had a home care program since 1964. In the last five years we have been expanding it into chronic care. As a result, a great deal more of our resources is going in that direction and relieving pressure on hospitals.

I have not in any of the time I have been in the ministry suggested there are no problems. Of course there are. A system as large and complex as this is bound to have some problems. What I am saying is they are not insurmountable. They are manageable. The policies we are following will in great measure address some of the pressures on the system.

But I am not about to say to the member, any more than he can say to me, that the system would ever be problem-free and all the pressures would be off. That will never happen.

Mr. Cassidy: Now that the minister has at least acknowledged there are problems in the system, would he be prepared to say what he is going to do and what the government is going to do about the backlog of people trying to get surgery and about the booking off in emergency wards?

Again, if I can cite some specific references, over the course of the summer dozens of

hospitals are closing beds when they could be using those beds to clean up the backlog and make sure adequate care is provided.

St. Joseph's Hospital in Toronto is closing 80 beds. St. Michael's Hospital is closing 90 beds. Humber Memorial Hospital is closing 90 beds. The Metropolitan General Hospital in Windsor, which I mentioned on Monday, is closing 36 beds. The Doctors' Hospital in Toronto is closing 30 beds. Why are those hospitals being compelled to close beds because of the minister's policies when it is clear those beds are needed to provide adequate health care and to deal with the backlog and the shortage in the system?

Hon. Mr. Timbrell: If the member will take a look at the long-term history of the system he will find that every summer, as long as we have had a hospital system, hospitals have closed a certain number of beds. Essentially it relates to a couple of things.

First, it relates to the availability of staff in the summertime. One has to provide, roughly from June to September, for the bulk of holidays for staff. Also, surgeons, anaesthetists and radiologists who are all key to the surgical procedures which are the member's principal concern in this series of questions, tend to take the bulk of their holidays with their families in that period of time.

Add to that the fact that right now some hospitals are experiencing difficulty in hiring specialty nurses for operating rooms, intensive care and so forth. That is the bulk of the reason behind it. It is not a recent occurrence. It is a long-term thing. That is the way the system has functioned.

In the summertime we also experience great problems with the blood bank. This has unfortunately become a historical pattern. There are a great many surgical procedures that simply cannot go ahead. There are certain procedures that can go ahead in what is called bloodless surgery, but there are certain things one simply cannot do without a backup of blood. That is a problem.

We have discussed before the fact that only four per cent of the population actually donates blood. We are trying to assist the Red Cross in boosting the giving of blood in Ontario. As often as not that will lead to cancellations.

I know it seems to be a sort of catch-all. Whenever anything is not going exactly smoothly, blame it on the ministry, blame it on cutbacks, blame it on anything but what actually is happening.

11 a.m.

In regard to questions on the numbers of beds, yesterday the member and his colleague the member for Bellwoods (Mr. McClellan) raised the question—quite a valid one, I think—of the discrepancy in some answers. I have checked into that and found the second answer was wrong. The figures are too low. The answers were prepared on two different bases and I will be tabling supplementary information. I will give the bases that will be used in future for all subsequent answers so that we can be totally consistent. Members will be interested to know that, in comparing apples and apples, there was an increase of more than 1,000 chronic beds.

Mr. Ruprecht: Supplementary, Mr. Speaker: I am glad the Minister of Health indicates he has a problem. There is more than one problem in his ministry, that is for sure.

The leading nutritionist and psychiatrist, Dr. Abram Hoffer, was recently quoted as saying —

Hon. Mr. Davis: You should not talk about problems.

Mr. Ruprecht: At least we are not obstructionists over here. The members opposite are more than obstructionists—they cover up and stonewall—every name in the book fits them right on over there.

Mr. Speaker: Would the member continue with his supplementary.

Mr. Ruprecht: I would appreciate, as I ask this question, if there could be some semblance of silence over there.

Dr. Abram Hoffer is a leading nutritionist and a psychiatrist. He was recently quoted as saying that nutritionists being used by the provincial mental hospitals “do not know anything about nutrition.”

Mr. Speaker: Order. Mr. Ruprecht, with all respect, that is not a supplementary to the main question.

Interjections.

Mr. Speaker: Order. That was identified quite clearly as a supplementary and I recognized you. Mr. McClellan has a supplementary.

Mr. McClellan: Mr. Speaker, we will come back to the bed numbers in a minute. Let me deal with the history of summer bed closings, if I may. In 1979, according to the Hospital Council of Metropolitan Toronto, there were 1,071 acute care beds closed between June and September, for part of the time or for all of the time. In 1980 there were 936 acute care beds closed during that same four-month period.

That is respectively 12 per cent of the total beds in 1979 and nine per cent of the total beds in 1980.

Can the minister tell us how many beds are going to be closed this summer, in June, July, August and September, wholly or for part of that period, and what per cent of the total beds that figure represents? Would he also say what advice he would give to anybody living in Metropolitan Toronto who is unfortunate enough to get sick and require hospitalization in June, July, August or September, when between 10 and 12 per cent of our beds are closed?

Hon. Mr. Timbrell: Mr. Speaker, I would advise them to see their physician immediately. If it is an urgent or emergency case it will be dealt with immediately. Even at the height of the strike urgent surgery and emergency cases were dealt with quickly, so that is not a problem.

I am not sure we yet have an indication of the numbers in Metro. I would expect it will probably be in the order of the last few summers. I doubt there will be much variation. But allowing for the fact that people do have to have holidays and that, in addition, when it comes to elective surgery, the experience of hospitals is that a great many members of the public, if they have the choice, will put off elective surgery until the fall rather than have it done in the summertime and be laid up in hospital for some time, the operating realities are that all those beds could not be available for the full 12 months.

NUTRITION IN MENTAL HEALTH CENTRES

Mr. Ruprecht: Mr. Speaker, Dr. Abram Hoffer indicated that the provincial mental hospitals and their nutritionists “do not know anything about nutrition.” I think that is very serious.

Is the minister aware that a recent analysis by an American doctor, Gary Gordon, an internationally known nutrition expert, of the diet fed to Henry Kowalski and other patients at Penetanguishene Mental Health Centre shows they are being fed the equivalent of 27.6 teaspoons of sugar daily, and that 12 essential nutrients were found to be below the recommended daily allowance?

Hon. Mr. Timbrell: Mr. Speaker, I do not know who this physician is. The member says he is an expert; I do not know whether he has appointed himself an expert, or whether he really is considered to be one. I can tell the

member that in all of our facilities we follow the Canada Food Guide, and we do use nutritionists in the preparation of our menus.

I do not know the individual. I do not know his connection. I am sure the member does not know him. I suspect if the member were to look at the his own diet, and I am serious, or that of any of us, he is going to find that the normal intake of some things, especially sugar, is quite high.

I was amazed recently when I attended a public health conference where Dr. Walker of the Greater Niagara General Hospital from Niagara Falls was a speaker—he is well known to the member's friend, the member for Niagara Falls (Mr. Kerrio)—to find out, for instance, that there are eight teaspoons of sugar in a typical serving of a cola soft drink. I was amazed at that, so I submit to the member that the figures he is quoting may not be inordinate at all, compared to the diet of the average person.

Mr. Ruprecht: I will take very seriously what the minister is saying. If that is the case, then he certainly would not mind checking into it. I would submit that if the minister would be so kind as to supply me with copies of five weeks' worth of diet sheets for all the province's mental hospitals, we can certainly check this out. We will find out the truth of the statements when we receive the diet sheets the minister will be supplying. Could the minister do that for us, please?

Hon. Mr. Timbrell: I hope the member makes speeches like this in my home town, because they are going to find out just how much of a joke he really is.

I will be glad when the opposition parties are ready to deal with the estimates of my ministry—I have been ready for a couple of months and have been asking to do it this spring—to go into the greatest of detail about that with them in the estimates committee. I will have my officials from the psychiatric hospitals branch there, nutritionists from the ministry; whoever they want from the ministry to discuss it with them.

Mr. Ruprecht: On a point of privilege, Mr. Speaker: I find it very disconcerting that these statements are being made on a continual basis, and I would submit that the minister withdraw that on account of—

Mr. Cassidy: If you can't stand the heat, get out of the kitchen.

HOSPITAL BEDS

Mr. McClellan: Mr. Speaker, I have a new question for the Minister of Health.

Despite what he said today, the Minister of Health was not able yesterday to explain a decline of active treatment beds in the magnitude of 4,276 between March 1979 and March 1981, neither was he able to explain the decline in the number of chronic care beds during the same period of 961 beds, despite his promise of some 3,218 chronic care beds for 1980.

May I ask him today whether he can explain why, according to his own nursing home inspection service staff, the number of licensed nursing home beds in Ontario declined from 28,208 in December 1979 to 28,202 in December 1980? Why was there a decline of six nursing home beds during the period when the minister was promising this marvellous expansion in the numbers of such beds?

Hon. Mr. Timbrell: Mr. Speaker, I have already said I am going to be tabling supplementary information to clarify this. As I understand it, going back to the question the member or his predecessor as critic asked in 1979, he asked about the number-of-beds category, available or planned, and that is where the member is coming up with this 3,000—

11:10 a.m.

Mr. McClellan: No, that was not part of the question.

Hon. Mr. Timbrell: Yes, I am sorry. If he looks I think he will find "or planned." I do not have the figures here. I had a quick chance to talk this morning to the staff, who went back late yesterday afternoon and early this morning checking the basis on which the answer to the 1979 Notice Paper question was prepared. They looked at the basis on which the answer to the 1980 or 1981—I forget which now—Order Paper question was prepared, and found that they left out, of the latter of those two, a significant number of beds. They were not prepared on the same basis.

One of the member's questions, as I say, asked not only the number in service but also the number planned. I will be glad to lay all that out for him. In 1980 as well, as he knows, we closed a number of nursing homes. In fact, in one way or another we have been closing about one a month for more than four years. We also announced the approval of a significant number that would have been under construction at the time, some of which will have opened by now, others of which are still under construction, set

to open later this year. Even more beds have been approved since. Proposal calls have just been completed in Essex county, and in Wentworth the proposal call finished on May 22.

That is ongoing. I will give the member all the figures—I have no problem with that. It is an ongoing system, but the number of beds has not gone down overall.

Mr. McClellan: I will await the minister's figures. Let me tell the minister that I know the difference between a bed that is open and a bed that is planned. I can count, too. Related to what the minister was just saying about nursing home beds that are supposed to be open, can the minister explain whatever happened to the 300 nursing home beds for Metropolitan Toronto, which were—

Hon. Mr. Timbrell: Yes.

Mr. McClellan: —let me finish; do not be so precipitous—which were announced in the Legislature on October 17, 1980? To quote the minister, "These beds should be in use by March of next year." That is March 1981. How many of the 300 beds were actually in use by March 1981? My understanding is two out of the 300. Can the minister tell me what the correct figure is?

Hon. Mr. Timbrell: I can give round figures. I will get more exact figures later.

When we advertised for the 300 beds our first priority was to identify nursing homes that could quickly bring on additional beds. We found three homes that could do that: Craiglee Nursing Home in Scarborough, Kennedy Lodge Nursing Home in Scarborough and the name of the third escapes me. All told, they were able to bring beds on stream quickly either because they had space available, as was the case with Kennedy Lodge—they had overbuilt when they originally built—or they had already proceeded with an addition on spec, as was the case with Craiglee—they had already started an addition, which they were going to operate virtually as rest home beds in addition to nursing home beds, so we were able to put them in there quickly. The other home I think—I cannot recall exactly—had a small addition or had some space available.

That would come to about 75 or 80 of those 300. The balance of the 300 have been awarded to Etobicoke General Hospital and to North-western General Hospital, both of which—

Mr. McClellan: Licensed nursing home beds?

Hon. Mr. Timbrell: —yes—both of which hospitals are in the process of finalizing plans to build nursing homes on site.

Mr. McClellan: By March 1981?

Hon. Mr. Timbrell: That was the goal. The fact is that when we advertised for proposals, if we had had indications that 300 could be added immediately, it would have happened. We added as many as could be added immediately; the balance are under construction.

Mr. McClellan: Keep the promise.

Hon. Mr. Timbrell: That is exactly what we are doing.

USE OF PESTICIDES AND HERBICIDES

Mr. G. W. Taylor: Mr. Speaker, I have a question of the Minister of Health. Yesterday an article appeared in the Toronto Star regarding birth defects in the Holland Marsh, based on a preliminary report and feasibility study of the University of Toronto, suggesting there are congenital abnormalities in the people of the Holland Marsh as a result, possibly, of the alleged use of chemicals or other things. What is the ministry doing in regard to protecting the safety of those farmers using pesticides and chemicals in Holland Marsh, and what has he been doing in regard to this with the Ministry of Agriculture and Food and Ministry of Environment? Has the minister co-ordinated any plans to protect the people of the marsh?

Hon. Mr. Timbrell: By the way, there was no notice of that question at all. Mr. Speaker, going back a couple of years, several local practitioners approached the medical officer of health in Simcoe and, I believe, also in York. Together they came to us seeking assistance to fund some studies, which is what the honourable member is referring to now.

Our staff has been dealing not only with those people at the local level in the health units, but also with officials in the Ministry of Agriculture and Food. At this point my understanding is that what we saw referred to yesterday in the press is the second draft of the report, which is not complete. They have gone back for additional information, including my officials, who are getting some additional information from the federal officials on various birth anomalies.

In July, the two medical officers of health will be presenting it to their boards of health and then will make public the final report and recommendations. In the meantime, officials of the Ministry of Agriculture and Food are aware of this and the question of dealing with the

farmers is in their hands. As far as the health aspects are concerned, we should have the final report, I am told, by the end of July.

Mr. G. W. Taylor: Considering that many of the farmers are unable to read English and their languages are various and many, would the minister consider putting these instructions or the recommendations into the various languages so as to benefit those people on the marsh?

Hon. Mr. Timbrell: I will take that suggestion as notice for my colleague the Minister of Agriculture and Food. It should be followed up there and will be.

Mr. Kerrio: Supplementary, Mr. Speaker: In view of the fact that some of the pesticides in question are among 79 pesticides which were fraudulently tested in the Industrial Biotech Laboratories in the USA and the safety of these chemicals is somewhat in question, would the minister add that to the research he might do in regard to the integrity of some of those chemicals we are talking about and the threat they pose if, in fact, they have not been properly tested and are being used?

Hon. Mr. Timbrell: This is an aspect, Mr. Speaker, in which no one in my ministry really has any expertise. Depending on the conclusions of the study, it is a matter we would have to perhaps take up with the pesticides advisory committee in the Ministry of the Environment.

PLACEMENT OF JUVENILE WARDS

Hon. Mr. Drea: Mr. Speaker, on Tuesday, through the Provincial Secretary for Social Development (Mrs. Birch), I was asked about allegations that children are being placed in jail in Sudbury due to a lack of facilities for hard-to-serve children.

First, children are not being placed in jail, period. Second, with the permission of the courts some children are placed in the observation and detention facility while they await placement. Under the child welfare legislation, children can be placed in this observation and detention home for up to 30 days under the above conditions.

That observation and detention home in Sudbury, make no mistake about it, is a treatment oriented facility. Of the nine staff, four are professional child care workers and the remaining five have social sciences training.

11:20 a.m.

It is extremely significant that the social agency, the children's agency and the community wanted that facility established in Sudbury,

not only to serve briefly a child requiring protection whose future was being arranged or worked out, but as a backup facility. If a community placement appeared to be working but the child had some difficulty, that centre could be used on a short-term basis to see whether the child could go back to the community placement once he had returned to normal or if additional children's mental health services were required.

There was a further allegation that there were 44 fewer spaces in Sudbury for hard-to-service children. This is not true. The decline in beds for children has not been in the hard-to-service area. The decline has been in other areas because those beds were drastically underutilized by the placing agencies, particularly because of the availability of more appropriate nonresidential treatment programs.

There are allegations that group homes are closing because of new residential care standards. The ministry has not refused to license—to put it more positively, the ministry has licensed homes in the Sudbury area. We have not refused to license on the basis of the new standards, which incidentally will not be effective until August 15, 1981.

Perhaps the most serious allegation that was made is that a child has been in jail for a number of weeks. That child is in the observation and detention home. While protecting his privacy, I want to state why he is there. He was in a foster placement. It broke down due to extremely inappropriate and severe acting-out behaviour. In other words, he was placed in the observation and detention home—

Interjection.

Hon. Mr. Drea: He was placed there with the permission of the court until a much more intensive children's mental health treatment program could be arranged and that is now being arranged.

There have been further allegations that children in the Timmins area have been faced with the possibility of jail. The Timmins area does not have a facility such as Sudbury has. It is not for lack of trying by the ministry or the community. Three separate times a facility like that has been rejected by the ratepayers of the area, including one that went to the Ontario Municipal Board. Without jeopardizing certain things that are going on now, the ministry and the community are moving extremely rapidly towards the establishment of that centre.

I think it is a great tribute to my predecessor,

now the Minister of the Environment (Mr. Norton), that at the beginning of his administration there was only one observation and detention home in the north, in Sault Ste. Marie; now they are in Sudbury, Kenora, Thunder Bay and North Bay. The day when someone was sent to training school for an assessment for a community placement is all over. That is a great tribute to the many millions of dollars my predecessor put into children's mental health services in northern Ontario.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: To clear up the matter of jails, the initial question was one of detention centres. It was only because there was so much rowdiness on the other side that I was provoked to call it a jail. I would like to clear that up.

On the other hand, it is euphemistic not to call it that, because one has to go through the courts to get somebody placed there and it is a restricted area. I want to ask a question. The allegations were made, not by myself, but by officials of the children's aid society in Sudbury—

Hon. Mr. Norton: On a point of privilege, Mr. Speaker: I think the honourable member owes this House and those of us within this House greater attentiveness to the work that he is attempting to do. If he does not understand the juvenile system and children's programs in this province any better than to assume that because the rights of a child are protected through the courts, that it is thereby—

Ms. Copps: That is not a point of privilege. His privileges have not been abused. He is not even the minister.

Mr. Speaker: Order.

Mr. R. F. Johnston: My supplementary refers specifically to the one case, a young boy who has been there for several weeks.

Hon. Mr. Norton: For God's sake, understand what you are talking about.

Mr. R. F. Johnston: I am glad you moved to the Ministry of the Environment.

Mr. Speaker: Order. Mr. Johnston, proceed please.

Mr. R. F. Johnston: The young boy has been there for several weeks because of a lack of appropriate referral, as I understand it.

Hon. Mr. Drea: No.

Mr. R. F. Johnston: He has not been there for several weeks?

Hon. Mr. Grossman: But don't let that bother you.

Mr. R. F. Johnston: Will the minister not agree that a more appropriate place for that child would have been the Sudbury Algoma Sanitorium, but the problem is there are long-term waiting lists? They cannot get kids in for three to six months. That would be a far better place for him than this detention centre.

Hon. Mr. Norton: Not necessarily.

Ms. Copps: Are you the minister now?

Mr. Speaker: Order.

Hon. Mr. Drea: I would not agree in totality with the remarks of the member for Scarborough West. With community oriented programs in the juvenile correctional and the juvenile mental health field, I would regard an almost instant move into a long-term facility such as that to be somewhat unusual. I have some difficulty not only because of the law, but I am sure the members of this House do not want to get into an elaborate explanation on this one. I think I will leave it. Particularly because the court was involved, I would not agree that the reason he stayed there so long was because of the lack of an appropriate referral.

USE OF TIME IN QUESTION PERIOD

Mr. Ruston: Mr. Speaker, on a point of privilege: I watched intently during question period this morning and I do not know if you are able to control the time the answers took, but if you are not able to do so, I wonder if you would consider using a stop-watch in this House so that the person asking the question would be restricted, as well as the person answering? The answers this morning took 40 minutes out of the hour.

Mr. Speaker: Order.

Mr. Foulds: Mr. Speaker, I was going to rise on a point of order. In view of the lengthy answer given by the Minister of Community and Social Services, which was welcome, should three or four minutes not be added to question period, because it could have been made as a ministerial statement?

Mr. Cassidy: And should have.

Mr. Speaker: For the information of all members, the question period did indeed run over substantially, by four minutes.

CAMPING ON CROWN LAND

Mr. T. P. Reid: Mr. Speaker, I have a different point of order, directed mostly to the Minister of Natural Resources. He indicated to me earlier in the House that he would be living

up to all the commitments made by his predecessor, and one in particular dealing with camping on crown land by nonresidents, a matter I have been raising for some years. Can the minister indicate if he will be making that statement, which his predecessor promised in March, before the House adjourns?

Mr. Speaker: That is not really a point of order.

Mr. T. P. Reid: He made a commitment to the House.

Mr. Speaker: Nothing was out of order.

Mr. Riddell: Well let him answer it anyway.

Hon. Mr. Pope: I am working on it. I hope, Mr. Speaker, I will be able to accommodate the member. In any event, I will be communicating with him during the recess if I can.

11:30 a.m.

DOMESTIC WORKERS

Ms. Copps: Mr. Speaker, on a point a privilege: On June 12, 1981, the Minister of Labour (Mr. Elgie) told this House with respect to domestic workers that those who either were not living in the place where they worked, or were not eating there, were not being charged up to \$50 a week room and board.

The minister should be a little more aware of what has happened since his legislation was enacted. Intercede, which is the coalition to end domestic exploitation, has documented cases of people who have been denied a rebate on their \$50 a week room and board assessment, not only people who are not eating there but people who—

Mr. Speaker: Order. with all respect, that is not a point of privilege.

MOTION

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Hon. Mr. Wells moved that the standing committee on administration of justice be authorized to sit on the afternoon and evening of Monday, June 22, 1981, to consider Bill 89, An Act to provide for the Consolidation of Hearings under Certain Acts of the Legislature.

Motion agreed to.

ALL-ONTARIO PITCH-IN DAY

Mr. G. I. Miller: Mr. Speaker, on a point of privilege: On May 29, I asked a question of the Provincial Secretary for Resources Develop-

ment (Mr. Ramsay). It was a question to the Minister of the Environment (Mr. Norton), who was not in the House at that time, regarding the All-Ontario Pitch-In Day. I received a note from the minister on June 5 indicating there was a response, but as yet he has not made it in the House.

Mr. Speaker: I am sure he will take note of that.

INTRODUCTION OF BILLS

CHILDREN'S LAW REFORM AMENDMENT ACT

Hon. Mr. McMurtry moved, seconded by Hon. Mr. Wells, first reading of Bill 125, An Act to amend the Children's Law Reform Act, 1977.

Motion agreed to.

EXECUTIVE COUNCIL AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Hon. F. S. Miller, first reading of Bill 126, An Act to amend the Executive Council Act.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, this bill amends the Executive Council Act by making modest changes in the salaries of the first minister, ministers and parliamentary assistants.

LEGISLATIVE ASSEMBLY AMENDMENT ACT

Hon. Mr. Wells moved, seconded by Hon. Mr. Gregory, first reading of Bill 127, An Act to amend the Legislative Assembly Act.

Motion agreed to.

Hon. Mr. Wells: Mr. Speaker, this bill is a companion bill to the one I just introduced. It provides for a change in the annual indemnity for members of this assembly. The change is from \$24,500 to \$30,000 a year. This implements the recommendation of the Commission on Election Contributions and Expenses.

It further provides an increase from \$8,000 to \$10,000 in the expense allowance for members of this assembly, recognizing that this allowance has not changed for a number of years and recognizing the increased expenses members have in carrying on their duties as members of this assembly.

The bill further provides for changes in the indemnities and allowances for additional responsibilities carried on by different members of the assembly, and it provides for a change in the severance allowance provision from one quarter to one half of the annual salary.

HOSPITAL BEDS

Mr. McClellan: On a point of order, Mr. Speaker: I understood, but I may be incorrect, that the Minister of Health (Mr. Timbrell) would retable what he purported to be the correct answer to written questions on which some of my oral questions have been based. Does the government House leader not have this material, or did I misunderstand?

Mr. Speaker: My understanding, Mr. McClellan, was that it was not ready yet and that it would be tabled when it was available. I presume—well, I will not presume anything.

Mr. McClellan: Then let me express the fervent aspiration that it will be available before the end of this session.

ANSWERS TO QUESTIONS ON
NOTICE PAPER

Hon. Mr. Wells: Before the orders of the day, Mr. Speaker, I wish to table the answers to questions 88, 97, 114, 115, 128 and 129, and the interim answer to question 113 standing on the Notice Paper. [See appendix, page 1855].

ORDERS OF THE DAY

INTERIM SUPPLY
(concluded)

Resuming the adjourned debate on the motion for interim supply, June 1 to October 31, 1981.

Mr. Speaker: Mr. Renwick.

[Applause.]

Mr. Renwick: I will pretend I do not know to what I am indebted for that applause, Mr. Speaker.

If I may revert for a moment to last evening, I read into the record of the House a note I had received from the Treasurer (Mr. F. S. Miller). I did not believe it would cause him any concern. He spoke with me afterwards, and I apologized to him at that time.

The reason I read it into the record was that it indicated I was breaking some kind of an agreement between the parties that the interim supply debate would be completed last night. I had no recollection of that agreement being conveyed to me either by the House leader or by the deputy House leader of this caucus. They are scrupulous in letting us know about agreements reached among the House leaders.

I checked with the deputy House leader last evening. He assured me he was not aware of any such agreement. I spoke this morning with the House leader of this caucus, the member for

Sudbury East (Mr. Martel), and he assured me that, while there was a hope and an expectation that it might be completed last night, there was no agreement of any kind.

As I indicated last night, I had wanted to devote a few minutes to a matter of objective concern to me and about which in the long term I expect the Treasurer will have to be concerned. It seemed to me, in the lull that will now follow the settlement of the scale for medical services in the province, that this was an appropriate time to take an objective look over a period of time at exactly what is happening and to urge the Treasurer to become involved in the question of doctors opting out of the system and in the whole question of extra billing. In a very objective sense, I want to speak to that issue.

11:40 a.m.

About two weeks ago the new schedule of fees that resulted from the settlement that was reached was published in the Ontario Gazette. One of the original promises of medicare was to provide a better method by which the value and the price to be paid for medical services would be determined. That fundamental promise of the medicare system has never been directly achieved in this province, or indeed in most other provinces, mainly because of the confusion with respect to the role of government in comparison to the traditional method by which a doctor bills his individual patient.

Everyone must understand—I think we all understand—that there is no marketplace for medical services. The customer, or the patient, of the doctor has no control over what the price will be for the service he obtains from the doctor. That system is one that I believe the medical profession wishes to maintain.

One of the things the medicare system did when it was originally set up was to introduce very clearly into the process a government agency, not directly for the purpose of determining the cost of medical services but indirectly through establishing, as a precedent condition of the funding of the medicare schemes by the federal government through the provinces, a condition that it must be administered through a provincial agency, thus directly bringing the provincial agency into the question of the cost of medical services provided by the medical profession.

Because of the immense indirection that was involved in those conditions imposed by the federal government, along with another condition that in substance militated against any extra

billing by doctors, it did not exclude extra billing but it put such conditions on its provision that for practical purposes it was not a problem for a considerable period of time.

I want to go back to the time when we introduced the medicare system into this assembly. Those of us who were here at the time recall that this government would have preferred to have a private insurance system. There was a great deal of concern when the federal government required as one of the conditions of its financing of the medicare scheme that it had to be done through a provincial agency because, of course, that provincial agency then was intimately involved in the payment for medical services.

For quite a period of time in the latter part of the 1960s and the early part of the 1970s, it did not pose a problem, because the original medicare bill simply took the schedule of fees then in use by the Ontario Medical Association for the establishment of medical charges. I am not here to argue whether that was high or low at the time, but it was a schedule of fees that was totally acceptable to the doctors because it was the one that had been used.

Let me say in parenthesis that I am not engaged in doctor-bashing any more than I would be engaged in lawyer-bashing, but I am very much interested in making certain that we understand objectively what may happen in this field in the future.

For a considerable period of time after its introduction into Ontario, and indeed well on into the 1970s, there was no serious concern about the question of settlement. Many doctors simply billed the Ontario health insurance plan. Many doctors were delighted not to have the administrative cost of billing, and many doctors were quite happy not to have to collect accounts that were delinquent.

There was a relative period of quiet. The system worked very well, and there was very little indication of opting out by the profession. There was very little question of extra billing. Many doctors preserved the right to bill their patients and have the patients bill the Ontario health insurance plan for payment of their account, but by and large the various ways of dealing with the problem were smothered in a degree of acceptability.

We then had a very serious divergence when the medical profession became immensely concerned about what it considered to be the relative drop in the relationship of its salaries or incomes to incomes in other parts of society.

Last evening, with some difficulty, I tried to place on the record of the House the figures for average incomes of the medical profession from 1962 through to 1978 on a Canada-wide basis, along with the ratio of those doctors' salaries to the average income of all the people who work in the country. That is now on the record.

I deliberately chose all Canada and not Ontario, because I think it is a Canada-wide problem that has to be looked at and addressed.

In the middle of the 1970s, the doctors became more and more discontented with the schedule and the rate of charges that they were permitted. As we know, the Ontario Medical Association proposed a very significant increase in the fees they would be entitled to charge for their services. That did not come about, because in 1975, I guess it was, we had the imposition of wage and price controls, which applied to doctors' incomes as well. We went through a period of time, as long as wage and price controls were in effect, when the concern of the doctors was contained because of those controls.

I do not want anybody to misunderstand me. I have no interest in controls as a method of solving this kind of problem. I am simply illustrating that from 1977 on there was a significant deterioration in the question of the way in which the doctors related through their incomes to the medicare plan.

That crisis has been continuing for a long time. It was exacerbated, because at the same time the federal government changed its method of funding to try to get the provinces to accept more fiscal responsibility with respect to the administration of the funds that were available.

The result of the change in the funding of the medicare program was in a sense to reassert each of the provinces as an independent entity in the medicare system so that in various provinces one immediately began to feel different pressures from the medical profession on the provincial governments and in the field of public opinion to do something about it.

It is interesting that the main pressures, both for opting out and extra billing, came from Alberta and Ontario. The ancient tradition reasserted itself in a much more dramatic way than it did in some of the other provinces that had, by and large, accepted the medicare scheme as part of the tradition in those provinces. Also, because of the relative poverty of a number of provinces, they did not raise the issue in the dramatic way it was raised in Ontario and Alberta.

We have this conjunction of events where the deterioration began in the relationship between the medical profession and the medicare plan. It is because of that crisis and the lull that now exists as a result of the recent settlement that I want to say to the Treasurer, because I am quite satisfied the Minister of Health (Mr. Timbrell) will not address the problem, that in the budget of this province, the financing of the medicare system and the overall delivery of health care are matters that will be of continuing concern to the Treasurer of the province, because they impinge so greatly upon the budget he must introduce every year.

11:50 a.m.

The Treasurer, it seems to me, must assert his authority or at least his prestige in the cabinet to make it understood that, to the extent this problem of opting out and extra billing is allowed to continue as a lever used in the negotiating process between the provincial government and the medical profession in the settlement of the cost of those services, we are putting the whole of the medicare system in jeopardy in the very broadest sense of that term.

We are doing it in a number of ways. Actually, extra billing is a question of utilization fees, and it offends very directly the condition imposed by the federal government, even in its weakened bargaining position at the present time. Every time the government allows the extra billing system to move in as a lever used by the medical profession in the bargaining process or negotiating process, or whatever one wants to call the process by which we arrived at this recent schedule of fees, it is inviting the adoption of a number of possible adverse alternatives in the province.

Let me spell out one of them. There is a provision in the insurance act dealing with health services on which the former Minister of Consumer and Commercial Relations, the present Minister of Community and Social Services (Mr. Drea), had to give his categorical undertaking in this House that that section of the act would not be used to allow private insurers to come in and insure the extra billing.

As soon as one allows the introduction of the private insurer into the system, one is then beginning to defeat the overall purpose of the system, which is to provide equal access for everyone to the available medical skills and services within the province without any distinction in the price charged.

One scenario is that, if the government persists in proceeding in this way, we will

find—though perhaps not openly—the reintroduction of an insurance factor through the private insurance market which is now precluded.

The other alternative is that, after the present lull to which I referred, a year or two years from now there will be a reassertion of the attack by the medical profession on the method of settling the price for their services through an increase in opting out coupled with an increase in extra billing.

That will so militate against the system that I am saying to the Treasurer that the slack number of dollars, whatever available number of dollars may be allowed to be spent within the medical care system of the province in all of its aspects, will be eaten up in the course of those negotiations.

The result will be that many of the things we all hoped would take place in the health delivery service of this province will never see the light of day.

We will, for example, not see the development of the community clinic system, which is one of the alternative methods for effectively delivering health care services. I am not talking about it in an ideological sense, but it was and is being proven in those isolated places in Ontario where clinics are in place to be an effective alternative method of delivery.

The expansion of that system will not take place if this open gap in the settlement of the cost of medical services is allowed to continue, because over time it will continue to eat up all the dollars that are available for the medicare system.

I have spoken only about the community health clinic as being one alternative method. But there are many other aspects of the health care system of this province that can be improved in a very reasonable way if there are some dollars available.

We have been engaged in questions and answers for a number of days now about the actual hospital system in the province and what is happening to it in the light of what some of us think the final result of these cutbacks has been. We are seeing the effects that those cutbacks have had on the quality of hospital care. If we are going to improve that hospital care, if we are going to provide the kind of assistance that is required in a tight economy, there are going to have to be available dollars.

I say to the minister that the province finally must come to the position where it recognizes that the arrangements between doctors and the

government with respect to medical services have to be regularized. We have to understand that there should be a commitment by the government to regularize the price structure of the delivery of medical services. The government must take positive and effective action on the question of opting out and on the question of extra billing.

I am not speaking very objectively, and I am not talking in punishment terms at all. One can put it into a very simple perspective. The fact of the matter is that for decades now the medical profession has been the single highest-paid occupation in the country. The records clearly show it, no matter how one looks at it. We are not talking about penalizing the medical profession relative to other parts of the economy.

I think it is also fair to say that we cannot allow—if I can use the term very advisedly—a professional monopolistic system of establishing fees on the basis of the doctor dealing with his patient as if it were an individual marketplace transaction to supplant the overall premise of a medicare system, which got a little lost because of the tensions of the problem, the overall fundamental promise and premise of the medicare system, namely, that we would have a better method for determining in our society the value of medical services.

It is not for me to say what the ratio should be between doctors' services and the average income earned by working people in the country, whether it should be four times, as it is apparently at present according to the information I can gain in talking on an all-Canada basis, or whether it should be, as it was at one time, as high as 6.5 times. Those are matters that do not lend themselves to precise arbitrary mathematical regulation.

But there is a point where society as a whole ultimately will determine to what extent a higher value and the extent of the degree of that differential will be tolerated for one profession in relation to the number of dollars many other people earn. So I am not basing my argument on that. I am simply saying the figures I put on the record last night were, in my view, designed to show that the relative position of doctors has fluctuated over time as various salary and income adjustments were made across the country in the last 10 or 15 years of fairly tight financial restrictions.

In summary, I am asking the Treasurer to take a personal interest in the questions of opting out and extra billing. It is not a matter to be left to the Minister of Health. It is not a

matter to be left within a traditional framework. Unless the Treasurer deals with at least that aspect of the health care system in the province, it will bedevil for years to come the budgeting of the health delivery system in the province. We will pay the very heavy price of not having the kinds of flexible improvements in the system that are available, at least in experimental and trial form, in various areas of the province and that have been forecast.

I am saying very bluntly to the Treasurer, I think he has to deal with the opting-out question. I think he has to deal with the extra billing system. I am not suggesting which model he should choose. Perhaps he could choose the Quebec model, which has a very special connection with that province, but he certainly has to choose the present Ontario system.

It is of no use to us, and I think of no use to the people in the province, to say that the level of opting out now either has stabilized at a given percentage in particular branches of the profession or is somewhat lower than it was a short time ago. That is in no way a satisfactory answer to the question. One must always be careful in trying to predict how the future will unfold, but I can tell members now that in a short period of time the pressure will begin again.

12 noon

Why does the government have any role in this question of determining the price of medical services? Is it not a matter between the doctor and his patient? Is it not that the doctors now simply will bill the patient, saddle the patient with paying the extra billing, forwarding the bill to the extent it is reimbursable to the Ontario health insurance plan?

Then what does the patient do about the extra billing charge? He either does not pay the account, and if he does not pay the account then he is not likely to get services from that particular doctor again or, if he does pay the account, at some particular point in time it is an invitation to reduce the overall economic efficiency of the system by allowing doctors to continue to extra bill.

One gets a situation that I consider is sort of contrary to the tradition of this province. I personally do not believe it would be acceptable to start getting the doctors dealing on a cash basis, which is already relatively prevalent in certain specialties in Toronto. I personally do not believe it would be acceptable if one gets the doctors pressuring to allow the use of Chargex or other credit cards for the purpose of paying accounts.

Being a member of a monopolistic profession that sets its own fees, which should be looked at as well at some time, I can say that there are any number of ways in which the medical profession will bring pressure on the system and which, unless we are extremely careful, will destroy the fundamentals of the system.

I do not know what the Treasurer's ultimate position is on the medicare plan. I do know what the traditional government of Ontario position has been. They would rather have had it otherwise than to be required, as a condition of getting federal financing, to have it funded through a provincial agency and to intrude on the so-called free marketplace for medical services.

Personally, I think that across the province the public wish to have the essential ingredients of the medicare plan protected. I am concerned that the Treasurer is not aware and will not give proper attention to the erosive power of the opting-out and extra-billing principles upon the whole of the medicare system. I say to the Treasurer—I am not asking him to respond at this particular point in time—I am simply saying to him that the increase in premiums in my riding is about as high as it can go.

I noticed in his budget that he is quite prepared to have some further studies. Perhaps it is true that at least the indirect impact of that premium increase will not be felt by many people in the province because it will be picked up under collective agreements or other arrangements through their employer.

But if the Treasurer allows that corrosive operation to continue or to remain latent in the system, it will be used by the medical profession to lever their return up for medical services. Without a clear-cut set of rules by which this government and the Treasurer as part of that negotiating operation will determine what is a fair and reasonable price for medical services, in the long run he will have set back the overall development of the health care system.

That is the particular area of concern that I wanted to objectively address in interim supply, as cautiously as I could. The Treasurer will notice that I have not used the actual report with respect to the final settlement in Ontario. I am not interested in showing that Ontario doctors are earning more money than their counterparts in other provinces. That is not my point.

My point is that the government of Canada established the conditions—for better, in my view—to provide a uniform level of health care

delivery services across the country. That does not make me a centralist; it makes me a person who believes as a Canadian that the medicare system has to be protected on a universal basis.

The result of the change in funding by the federal government and the result of the excessive deficit of the federal government has meant the responsibility for the maintenance of the medicare system has devolved back to the provinces. When one devolves that protection back to 10 provinces one runs the risk that any one province can be jockeyed in the game to upset the system and to allow all the things to happen that would be disastrous in my view.

The key to it is for this government to accept and not shy away from its responsibility to deal with opting out and extra billing on a rational, sane but firm, clear and concise basis so that we are not subject to that kind of rocking by the medical profession which will take place in Alberta and Ontario first and then, if it is marginally successful here, will be heard about in the eastern provinces and a little while later there will be an attempt to wean even Manitoba, Saskatchewan and British Columbia away from it.

Interestingly enough, the measure and extent of the dangers I project for the system, as I heard over the radio going home last night, is that negotiating on a fragmented system in British Columbia has produced a 40 per cent increase across the board over a two-year period for the medical profession.

The reverberations from that province to this province and to the other provinces will simply steamroller and snowball the principle to the point where this Treasurer will have lost control through his budget over the need to protect the quality and development of the health care system in the province.

Mr. Speaker: Does any other honourable member wish to participate in this debate? Mr. Miller.

Hon. F. S. Miller: Mr. Speaker, the discussion has gone on for approximately five and a half hours. It is ironic that a member of this Legislature who is a student of the House rules and the debates on interim supply, pointed out that if this debate was long I was probably the author of its time because, a year or so ago, early in my career as Treasurer, the Speaker of the day brought me to order for being off the point. I rose to defend the right of the person in, I think, the NDP party to speak in a general way in the interim supply motion—

Mr. Foulds: It is ND Party. The "P" stands for party.

Hon. F. S. Miller: You are right. I am often redundant, repetitive — whatever else you might want me to be. If so, fine. I never felt I was anxious to have a narrow definition of interim supply. On the other hand, I must admit I hope members taking part will express serious points of concern. In general, most have. A couple got carried away in my opinion.

Let me point out one matter of importance raised by the member for London Centre (Mr. Peterson) when he questioned the date of the interim supply and the legality of the special warrant. I think the implication was in his comment last night that we had bridged two fiscal years.

Mr. Peterson: That was the Minister of Intergovernmental Affairs (Mr. Wells).

Hon. F. S. Miller: In any case, they are in the member's comments last night. I am not going to try to get into a fight as to exactly what words were used. I am not necessarily disagreeing with him but I am pointing out the special warrant applied to expenditures starting April 1, 1981.

Second, the authority for the special warrant is in section 4 of the Management Board of Cabinet Act. This permits this approach.

Third, the implication was there had been overspending. There has been no overspending in any ministry's appropriation as far as I know. I have asked my staff to check that and as of this minute there is no need for a retroactive date.

12:10 p.m.

The date was chosen as June 1 at a point when staff, in writing the resolution, were not sure when the interim supply resolution would be on the floor of the House. I expressed the opinion last night that if it is the wish of this House to have the date changed to today's date, that in no way bothers me. I would be quite willing to have it done, because there is no need for any retroactive spending. If that is the wish of the House I will simply introduce an amendment to the resolution before us and include it in that resolution.

Mr. Peterson: Why \$4.7 billion?

Hon. F. S. Miller: Because that was the estimated amount of money required until such time as we might get interim supply before the House.

Mr. Peterson: Why did the government not bring in interim supply on April 23?

Hon. F. S. Miller: There have been many points of business before this House that were considered important. I do not structure the

House rules or the House order of business. I am simply saying that we had a special warrant in place and we were following it. As the member knows, the estimates were tabled on May 26 with full details, including the special warrant information within them. That was all there. We have spent a fair amount of time debating it. I just want to set that order straight, because the idea that we are operating illegally or improperly is wrong.

I accept the philosophical points of view expressed by four speakers for the New Democratic Party as being their point of view and the very reason for the existence in the House of different parties. When one believes something obviously one should say it. I obviously do not always accept those points of view. I listen with interest; we differ.

I would say to the member for Riverdale (Mr. Renwick) that I have listened as Minister of Health to many arguments on the question of the right of physicians to opt out and the alternatives to fee for service. I know that as Minister of Health I moved in those directions. I hope he realizes that. I was involved at times with the St. Mary's clinic for better or for worse, the Sault St. Marie clinic and a number of health centres around the province. We set up trial facilities out in the riding of the member for Perth (Mr. Edighoffer) at some point, looking at ways and means to improve not only the efficiency in a cost sense but the efficiency in a human sense and in a health sense of the delivery of the gamut of health services.

I do not have a rigid belief that a fee-for-service system is the only mechanism which would deliver service at reasonable cost. But in the presence of a fee-for-service system we have to look at the rights of the doctor and the rights of the patient. Our responsibility in this Legislature is to protect both, not just the one. We have 13,000 physicians and 8.5 million people. If it comes to a question of whose rights weigh most heavily upon us there is no question who is going to win.

This has always been a sobering fact to physicians who get carried away with their rights and forget the rights of the people they are servicing. I think they have to realize that when they threaten to opt out across the province and therefore remove the rights of the citizens, then their rights are in jeopardy too. That is something they have understood of late.

Therefore, we have seen a balance between the opt-in and opt-out become established at a slightly different level than it was a few years

ago. I think it was about 90 per cent when I was minister; it is about 83 per cent now, if the statistics are right. The fact remains that all physicians—like all lawyers, all engineers, all plumbers or all carpenters—are not worth exactly the same fee per unit of work. I do not know how one gives a physician the right to say, “I am more skilled, I am the best heart surgeon, I am the best internist,” or whatever he may be, without also giving him the right to have some access to extra funding.

That has been one of the fundamental reasons why a fee-for-service system with an opt-out privilege was part of the Ontario theme. I simply stress that. It is a balancing of rights. I do not like to be threatened by any group in society who say that their way must prevail. Obviously my colleague the Minister of Health shares those points of view. I think we should be aware, while all other models need to be evaluated, tested and appraised in any way we can, that the majority of the health care services in this province are still given on a fee-for-service basis and that within that the opt-out privilege has remained an important right, protected for the physician and for the patient.

With that, Mr. Speaker, I would move acceptance of my resolution.

Motion agreed to.

ONTARIO LOAN ACT

Hon. F. S. Miller moved second reading of Bill 70, An Act to authorize the Raising of Money on the Credit of the Consolidated Revenue Fund.

Mr. Peterson: I know a number of members would like to get this act through. I was going to make a long speech on this matter, but in view of the hour, I think I will probably spare the House and just make a few comments. This is something we have discussed before at great length in this House and something that has concerned me. We have taken the opportunity previously to lay out our concerns for the future because of the borrowing of this government over the past decade.

We are now entitling the minister to borrow up to \$1.9 billion, essentially from internally generated pension funds. This government always prides itself on never having to go to the market. The only exception was in 1975 when there was a pre-election budget and it did go to the market. Other than that, with the exception of some Treasury bill offerings in which it was involved very heavily a couple of years ago—and

none at the present time, to the best of my knowledge—all the funds have been internally generated. In so doing, there is some feeling that it is not really borrowing money. I want to point out that is a great myth, because those are legal financial obligations and they will have to be repaid at some time in the future.

I am going to talk in approximate numbers today. Let us not kid ourselves. Just because that \$18 billion or so that has been borrowed over the past decade has been borrowed from internally generated funds does not mean there is not a real legal liability. Let us take, for example, the teachers' superannuation fund. It is generally accepted and common knowledge that the government usually pays below market rates. I have said before that if the government had to pay real market rates rather than getting a discount because they control these funds, it would probably be less promiscuous in spending those moneys.

Today, because it is paying the teachers' superannuation fund less than market rates, that has seriously eroded the integrity of that fund. At the present time there is an unfunded liability, in addition to the \$4 or \$5 billion owed to that fund from accumulated borrowing, of about \$1.4 billion. That is from the latest actuarial analysis. Whether the staff agree with those figures or not, they are at least in that range. It is another obligation the taxpayers will eventually have to come up with.

We are also finding this year that the moneys borrowed by the Ontario government from the Canada pension plan are not covering the accumulated interest from previous borrowing. There is a reason for that. Some \$500 million was allocated from Canada pension plan borrowing into Ontario Hydro this year, as it was last year. That is something I have always agreed with. I have no problem with that. I have said those moneys should have been put into assets where the cost of money is calculated, where it is built into the pricing policies of that particular economic unit, the atomic reactor or whatever. I have no problem with that because it creates real wealth in this province.

I do not mind that, but at the same time, we are finding this year that Ontario is borrowing less from the Canada pension plan than it owes them in interest. So already we are into a negative cash flow from that point of view and, as I recall the figures, it stands at about \$230 million. That problem is going to compound itself exponentially.

12:20 p.m.

Every year, as we progress, we will owe more interest and be able to borrow less. If we continue these borrowing practices, we will have to look for new sources of revenue. That will necessarily force the Ontario government out into the marketplace to compete with private capital, which is inflationary. One of the major problems in this country over the next 10 to 20 years will be the availability of capital to fund the giant megaprojects in the energy, transportation and various other sectors in order to maintain the standard of living with which we have become comfortable. When we see government competing for that private capital it will be inflationary and put many great strains on the system.

Interestingly enough, my colleague the member for Bellwoods (Mr. McClellan) of the New Democratic Party asked a question of the Treasurer a month or so ago. He asked why the Treasurer did not expand the Canada pension plan. The NDP, as the official political wing of the Canadian Labour Congress, has taken that position and we will hear more of that in a while. I am looking forward to the discussion we will have over the next couple of months.

The Treasurer's response to that question was, "It is irresponsible to let governments have access to any more moneys, because they just waste it on deficits." Here he is decrying the fact. When he was refuting the suggestion that we should expand the Canada pension plan, he said he did not want any more money in government's hands because they tend to spend it inefficiently. Yet he has been doing exactly that in his capacity as Treasurer, as has the government since that money was made available in 1966. The Treasurer holds a curious position. As has been said before, he is decrying prostitution while living off the avails thereof. That is exactly the situation he is in.

The Canada pension plan is one of the cheapest pension plans in this country now. They are beginning to find this will catch up to us. Rather than costing about 3.6 per cent of payroll as it does now, it will probably run up into the eight to 10 per cent area. We will have a very serious problem in the next 20 years unless that is rectified.

I am one of those who does not believe we should allow governments to have any more money to treat as promiscuously as they have in the last 10 years. I am one who will argue in the committee on pensions, when it is being discussed, that we should not allow this Treasurer to get his hooks on any more of that money. We

already owe the Canada pension plan about \$8 billion or \$9 billion. It is a very substantial amount of money and as those funds run down, when its disbursements start to exceed the receipts around 1984-85, as we are subjected to calls on that money, as debentures come due, we will have to look for new sources of revenue that are at present not available.

I do not want to go on because it is not the appropriate time. I am going to vote against this bill today as a symbolic gesture. The province and this Treasurer, as well as the Treasurers before him, have been most irresponsible in the treatment of that money over the past decade. There are studies around such as the Economic Council of Canada's studies which say that had that money been spent to develop real wealth in the private marketplace or on hydro plants or even public enterprise—some wealth-creating device—we would have had more growth. We would have higher real income and less unemployment. The entire economy of Ontario would be in better shape than it is today. It has happened because they have robbed some of those moneys and generally allocated them to fuel deficits and finance deficits.

They will argue that it has been spent on capital goods. That is a very questionable proposition too. I will argue they have contributed, because of their borrowing habits, to some of the economic problems we have today. I will save the speech because I will probably make it again in the near future. I have talked about these things before. It is my belief that by supporting this bill we will be affording the Treasurer the opportunity to be more irresponsible than he has been in the past. It is putting off further the day when we all have to face up to the realities of what has gone on in the last 10 years.

I have tried to discuss those realities with the Treasurer. Frankly, I am not very satisfied with his answers. I do not think they have any particularly attractive long-range view on how to solve some of these problems. I also will fight very hard so that he is not allowed any more money if the contribution rates for the Canada pension plan and various other pension plans go up. He is not entitled to them. He has not shown very good judgement in using these funds in the past, and I do not think he should have any more in the future. That is why I am going to vote against this bill today, Mr. Speaker. Thank you.

Mr. Foulds: Mr. Speaker, I rise to speak briefly on the bill. My colleague the member for Algoma (Mr. Wildman) asked me to make two points. I will make them briefly and succinctly.

It is always a wonder to us that the government borrows from pension plans at such preferred rates of interest—from the Canada pension plan and the teachers' superannuation fund, for example—that it is encouraged to borrow, perhaps unnecessarily. That is, if the government pays, as I understand, 12.5 per cent to 13.39 per cent on the CPP borrowings for 1981 and 11.05 per cent on the teachers' superannuation fund borrowings, that encourages the government to borrow. If it had to borrow at the current rate of interest, around 20 per cent or so, I think the government would borrow somewhat less.

We do not have the dogmatic anti-borrowing philosophy of the party to our right, both figuratively and geographically. But we find the imbalance disturbs us, because the low interest that is paid to these pension funds not only does a disservice to the people who will be drawing benefits from those funds but also discourages the government from expanding its tax base. It discourages the government, and this Treasurer in particular, from looking for other sources of revenue for their budgetary needs.

The spokesmen on financial matters for this party have pointed out time and again—and I suspect will have to do so for as long as this Treasurer is Treasurer and this government is in government—failure to obtain revenue from the corporate sector and the resource sector. It is quite shameful that with resource revenue values approximately one third those of Saskatchewan, for example, we gain for the public treasury one fifth the value which that province does. That is, in my view, a serious imbalance in the taxation structure of this province.

I would therefore just like to make those two points on this debate and wait for the Treasurer's or other members' comments.

Mr. Speaker: Does any other member wish to participate in this debate?

Hon. F. S. Miller: Mr. Speaker, I accept the comments made. It is interesting that the speaker for the Liberal Party should criticize me for doing exactly what he says I should do, and that is gradually to wean government—

Mr. Nixon: He said the Treasurer should resign.

Hon. F. S. Miller: No. He would have said that, but he did not today. I am simply agreeing that it is wise for government to have a limited access to readily available, almost captive, moneys. It is in the interests of all of us to see that happen. That is one of the reasons I

opposed the Canada pension plan doubling, which Madame Bégin suggested at the federal government level.

I also would say, though, that it was always the insinuation that somehow the moneys we owe in this province were not well used. I just have to categorically oppose that. In this province we have run a very efficient provincial government. Compared with other governments in this country we have the second lowest year-over-year increase in spending of all provincial governments.

12:30 p.m.

As pointed out by the Ontario Council on University Affairs special committee looking into capital grants, when allowing for capital works we have only had a deficit in two years out of 10. We have not left undone those things which ought to have been done and we have not done those things which ought not to have been done. I would argue we did not waste the money.

Motion agreed to.

Ordered for third reading.

Mr. Foulds: On a point of something or other, Mr. Speaker, I might point out the member for London Centre was unable to be here to vote against it as he indicated he would be when he spoke.

MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING

Hon. Mr. Bennett moved second reading of Bill 67, An Act to establish the Ministry of Municipal Affairs and Housing.

Mr. Nixon: I wonder if the minister has an opening statement, Mr. Speaker?

Hon. Mr. Bennett: Mr. Speaker, I think the opening statement was pretty well covered in the Premier's (Mr. Davis) statement back on May 1 at the time we were introducing the legislation which indicated the amalgamation of the municipal affairs wing of the Ministry of Intergovernmental Affairs and the Ministry of Housing under the new title of Ministry of Municipal Affairs and Housing.

Mr. Nixon: "Hoosing."

Hon. Mr. Bennett: "Hoosing": that is the valley way of calling it a house. I would say the bill is fairly straightforward. It shows the various functions and operations of the ministry and I would appreciate hearing the comments of the members of the second party.

Mr. Epp: Mr. Speaker, I am pleased to be able to speak on this bill. As we know, the minister has introduced this bill. For some time we have encouraged having housing and municipal affairs integrated into one ministry. With this integration, a number of parts are going to be included in it.

I want to draw to the attention of the members the fact that the Ministry of Housing was created in 1973. At that time the Premier stated that in creating this new ministry the government had placed the highest priority on the need for a comprehensive new approach to housing. It now seems that by integrating housing and municipal affairs there is a little less priority as far as housing is concerned and as far as this government is concerned.

I also must draw to the attention of the House the fact that Municipal Affairs was first established in 1935 and in 1968 Treasury and Economics was created. In 1972, there was a major reorganization of the government of Ontario and the Ministry of Treasury, Economics and Intergovernmental Affairs was established. That was in April, 1972.

This amalgamated Treasury and Economics with Municipal Affairs. So they did away with the Ministry of Municipal Affairs in 1972 as a separate unit and then created the ministry known as TEIGA, which I suppose at that time was created specifically for the then superminister, who is now the super-president of Union Gas of Chatham, Ontario.

Mr. Boudria: A custom-made job.

Mr. Epp: A custom-made job, my colleague says. He is so right.

There was obviously a little dissension among some of the ministers in the government at the time, because all kinds of indications came forth that the superminister was more super than some of the people wanted him to be. As a result, when he left in 1978 that ministry was quickly dismantled before anybody could even say "boo." It was divided up into the Ministry of Intergovernmental Affairs—which assumed responsibility for relationships between the provincial government and the federal and municipal governments—and of course the Ministry of Treasury and Economics.

Now we are seeing a new stage in reorganization. Municipal affairs and housing are coming together, and the Ministry of Intergovernmental Affairs will be left to deal with Ontario's relations with other provincial governments, as well as with the federal government. It is my feeling this is a better unification.

It is ironic to note that in the statement made to announce this new legislation on May 1, 1981, the Premier stated that the creation of the new ministry of municipal affairs and housing reflects and strengthens our commitment to the municipal level of government. This somewhat questions the statement I quoted earlier with respect to the Ministry of Housing, because if this strengthens municipal government, it obviously weakens housing, and the minister should be concerned about this.

Back on August 21, 1978, when the Minister of Intergovernmental Affairs (Mr. Wells) was explaining to the Association of Municipalities of Ontario why the then Ministry of Treasury, Economics and Intergovernmental Affairs had been split, he indicated, and I quote, "There is a sharp team who are tuned in to the problems and realities of government." He went on at some length to describe why municipal and provincial and federal-provincial relationships would best be grouped together under the one ministry umbrella.

In the light of this 1978 statement which insisted this was the most effective way to treat all governments, no one can really blame us for being somewhat surprised that the government is now trying to put everything together under one umbrella.

The minister may want to comment on the fact that his enthusiasm for the Housing portfolio seems to have lessened, as is reflected in the statements he made earlier this year during estimates and during previous estimates of the Housing ministry. I might point out that we are short of housing starts, and hope this minister with the new responsibilities of municipal affairs and housing will not lessen his enthusiasm for housing.

Based on the kind of promises that were made in the Brampton manifesto back in 1977, and in some subsequent statements, we have been led to believe the government would enthusiastically embrace new housing starts for the province. Yet in subsequent years since 1977 there has been a shortfall of thousands of units in Ontario with respect to new housing starts.

12:40 p.m.

For instance, just look at the local rental situation in the province alone, Mr. Speaker. The minister, together with the Premier, has announced on a number of occasions that they were putting \$42 million and then a subsequent \$21 million into a new rental construction program. Yet to this date, June 19, 1981, about four or five months after the initial announce-

ment was made by the Premier and by the Minister of Housing, to the best of my knowledge there hasn't been one single unit fully approved in Metropolitan Toronto.

The minister shakes his head. He will have an opportunity to indicate if there has been a miracle created in the ministry in the last few days, but until a few days ago there was not one single unit that was completely approved—with all the bureaucratic red tape out of the way—for construction in Metropolitan Toronto. I would be glad to be wrong on that, but that is the best of my information. If the minister can show me some documented evidence otherwise, I would be more than happy to withdraw that. That is to the best of my knowledge, but there may have been a change of heart over there.

The minister himself knows how reluctant many of the builders have been to embrace that particular program since it was announced. At one time he said there was \$42 million in the program and it was so well embraced by everyone in Metropolitan Toronto and the province that they were announcing another \$21 million. Since then he has publicly admitted they have had difficulties and for various reasons builders are now trying to extricate themselves from constructing some of those units.

We know of course that the interest rates, as the minister has indicated, have gone up modestly in many respects. Nevertheless, he knew interest rates were going up in January; he knew they were going up in February; he knew they had gone up last year at the same time, yet he made the announcement without that qualification in the statement. He never said, "If interest rates go up, we are going to have to put more money in." He didn't say, "If interest rates go up, the builders will withdraw from the program. They are only going to be in the program as long as interest rates are at 12 per cent or 13 per cent." He didn't say that as long as he was Minister of Housing he would do what he could to really implement this program.

Hon. Mr. Bennett: That is a great deal more than the member's friend in Ottawa is doing.

Mr. Epp: I am not so sure, because the minister on a number of occasions—

The Acting Speaker (Mr. Cousens): Order.

Mr. Epp: Thank you, Mr. Speaker; he was interrupting me. I must apologize for the outburst of the Minister of Housing to the full galleries. This is very disappointing. Of course

when one o'clock comes he will be happy to go back to Ottawa and consult with his colleagues in Ottawa.

There will be better opportunity to discuss some of the things in housing and in municipal affairs. I know some of the municipal politicians in the province are a little apprehensive about joining the Ministry of Housing with a ministry of municipal affairs, combining those two various departments into one ministry.

Mr. Philip: He has done nothing in housing and now he will have an opportunity to do nothing in municipal affairs.

Mr. Epp: I would hope that statement will be taken in the right spirit, and I am sure the member for Etobicoke who said that would be only too happy for the minister to prove him wrong, but I think he says that based on some knowledge.

I would like to draw to the attention of the members of the House the fact that municipal politicians across the province were very apprehensive about joining housing and municipal affairs. The government was aware of that apprehension. As a result of that, although they were first going to call it the ministry of housing and municipal affairs, which would be in alphabetical order and so forth, to give greater emphasis to municipal affairs, and to the minister I suppose, they decided to call it the ministry of municipal affairs and housing. That was decided just to give greater emphasis to the municipalities in the province.

All 835 municipalities will be more than happy now to take their problems to the new minister, because there are a number of problems. He knows only too well, as a former politician from the great city of Ottawa, that the municipalities want to have a greater voice in the affairs of the province and in what is going on in their municipalities. They are looking for more autonomy.

One of the ironies of this administration—and the administration of the last 38 years, I regret to say—has been that the provincial government is very anxious to give greater autonomy to municipalities, but only when they withdraw the various moneys from the municipalities. It did the same thing in education and in other areas. In other words, the government says, "We are going to give you the money," but then it puts additional restrictions on giving that money and on where that money should go. Then all of a sudden it says, "This is the age of more autonomy for school boards and municipalities"; but it also says, "Okay, we are taking our money away from them."

As a result the government withdrew from the Edmonton commitment, which the then Treasurer of this province made in 1972, I think it was, in Edmonton. They have withdrawn from the 60 per cent commitment to school boards that they made at one time. The provincial portion of the expenses borne by school boards across the province at one time was 60 per cent, or close to it; it is now around 50.6 per cent, or something in there—51 per cent. Coming from Peterborough, Mr. Speaker, you may very well know exactly what they get. I know that my own area of Waterloo region gets less than that average.

I reiterate that we will support this bill. We look forward to having the minister vigorously exercise his new responsibilities as minister of municipal affairs and housing. I notice that it was not very long after the bill was introduced—the same day, I think—before he had on the speeches he was distributing liberally across this province—

An hon. member: Liberally?

Mr. Epp: Liberally. He was distributing them liberally, and if we had asked for 100,000 copies he would have been happy to give us 100,000—in fact, 200,000 copies. They were in black on white paper. I was surprised that he did not have blue lines all the way through. But anyway, he had on there “Minister of Municipal Affairs and Housing.” And he had “municipal affairs” spelled correctly, so I must commend him on that and wish him well in his new responsibilities. I hope that in some way he is going to be a little more responsive to the needs of the municipalities in this province than he has been to the housing needs in this province.

Ms. Bryden: Mr. Speaker, I find Bill 67 another attempt by this government to solve serious problems by gimmickry or Mickey Mouse changes in administration.

A new ministry of municipal affairs and housing will not provide us with a fairer share of grants to municipalities and regions. Until we get a legislated formula for revenue sharing with the municipalities, they will continue to be at the mercy of the provincial Treasurer (Mr. F. S. Miller), who always has lots of money for his friends in the corporate sector but very little for the local governments.

This amalgamation will not provide us with one new housing unit; it will not stop cabinet ministers from interfering in the planning process and letting our valuable agricultural land go to developers; it will not stop the rape of our

agricultural land for such projects as Canada's Wonderland, to which the Premier (Mr. Davis) gave his blessing when he participated in the official opening last month.

All this bill may do is give the Minister of Housing (Mr. Bennett) something to do, since he is now the minister of nonhousing. I do not think that under his regime a single unit of public housing has been added to the province's housing stock in the past—

Mr. Philip: In these areas of most need, that's typical.

12:50 p.m.

Ms. Bryden: We do have a growing need for assisted housing, and this was documented in hearings before the standing committee on administration of justice last session. The vacancy rate is increasing. The minister's incentive plans to the private sector have failed to produce new, affordable housing.

The Premier, in his statement announcing the new ministry, reiterated “the government's commitment to the provision and management of socially assisted housing through the Ontario Housing Corporation and through its support for community-based, nonprofit and co-operative housing programs.” It seems sheer hypocrisy to reiterate that commitment at this time when the government is, in effect, abolishing the Ministry of Housing.

In describing the changes being effected by the reorganization, the Premier seems to think the new ministry is some sort of flying machine. He says the ministry will take over the community development wing, the community planning wing and the land development wing of the previous Ministry of Housing. Maybe the reason the Ministry of Housing has been so ineffective is that it has been trying to fly on three wings.

The Premier also stated that the creation of the new ministry “reflects and strengthens our commitment to the municipal level of government.” Since the days of the Edmonton commitment, the government's refusal to legislate some form of revenue-sharing indicates a commitment to weakening the municipalities. They can never plan ahead, because they have no way of estimating the amount of provincial grants coming to them in the years ahead.

Other provinces share a percentage of their income and corporation taxes, and their retail sales taxes in some cases, with their municipalities on a legislated formula basis. But in Ontario, as I mentioned at the beginning, the municipalities are dependent on the moods of the Treasurer.

The Treasurer's mood seems to be to cut back on the ability of the municipalities to provide essential services to their residents. For example, adequate day care services are a necessity today if we are going to safeguard the wellbeing of the children of working parents. It is also a necessity to give women the choice of working outside the home so that they may have equal opportunity in our society.

The government's failure to provide adequate day care grants indicates its lack of commitment to equality for women. It also indicates its lack of commitment to our municipalities and their ability to meet the needs of their residents.

Another example of the government's failure to be interested in the welfare of the municipalities is the way it has allowed them to be ripped off by delinquent taxpayers for so long because of the difference in the interest rates they could charge to delinquent taxpayers and the actual interest rate in the marketplace.

Just this week the government finally moved to correct this error, but we have had six months to a year of interest rates above the rate set in the previous legislation. It appeared that the government was more interested in protecting the businessmen who are benefiting from this than in protecting the municipalities and their taxpayers. Of course, we all know that as a result of the situation the municipalities had to borrow money because tax payments were delayed. The other taxpayers who were not able to take advantage of this difference in the interest rates are paying for the cost of that borrowing. This is grossly unfair.

I am glad that the government has finally moved on this, but I think it was very insensitive to the demands of the municipalities for legislation in this field for the last six months or so.

Another area where the government has shown lack of commitment to the municipalities and a lack of interest in their problems is the financing of their capital works programs under the present high interest rates. No municipality can afford to sell debentures at this time, because the interest rate would be so high. Therefore, they are having to cut back their capital works programs, which may be very necessary for the future development of their municipality or for maintaining services. For example, the city of Windsor has had to reduce its 1981 program by 40 per cent, Kingston by 26 per cent, Thunder Bay by almost one third and Ottawa by 22 per cent.

A government that is truly committed to

preserving the municipal level of government, as the Premier says, is not showing that commitment by permitting this situation to go on. It should provide some form of temporary lending to the municipalities at a reasonable rate of interest until such time as they can again issue long-term debentures.

There are some new clauses in this bill that were not in the previous bills for the two ministries that are being partly melded. I want to deal with one or two of them. The first one is section 8(1), which gives the government very tight control over the crown agencies for which the minister is responsible. The whole idea of crown corporations and agencies is to give the agency some freedom in its day-to-day operations in the interests of flexibility and efficiency.

I have always thought that the Legislature should spell out the objectives and the policy to be pursued by a crown agency in reaching these objectives. I also think that crown agencies should be accountable to the Legislature for the implementation of their policies. But I think their day-to-day operations should be decontrolled as long as they conform to the policy guidelines and as long as they maintain open communication with the public and are answerable to the Legislature under periodic reviews.

This bill gives the minister the power to control both policy and detailed operational direction of crown agencies. I would like the minister or his parliamentary assistant, whoever is responding, to spell out exactly what kind of detailed operational direction is contemplated under section 8(1).

I would also like him to give us assurances that any crown agencies for which he is responsible will report to the Legislature on a regular basis. I would like assurances that members of the Legislature will be given an opportunity to question the officials of the crown agency and an opportunity to propose policy directions for those agencies.

Probably the biggest crown agency that will come under this ministry is the Ontario Housing Corporation.

Mr. Speaker: I direct the honourable member's attention to the clock.

Ms. Bryden: I will just finish this paragraph, Mr. Speaker, and I would then like to adjourn the debate.

With regard to the Ontario Housing Corporation, my colleague the member for Etobicoke (Mr. Philip) will be dealing more fully with the relationship of that corporation to the ministry, but I hope that opportunities will be given to the

Legislature to discuss the policies of that corporation on a regular basis, perhaps in the same way as the Workmen's Compensation Board is handled in this Legislature.

On motion by Ms. Bryden, the debate was adjourned.

The House adjourned at 1 p.m.

APPENDIX

ANSWERS TO QUESTIONS
ON NOTICE PAPER

HOSPITAL BEDS

62. Mr. McClellan: Will the Minister of Health table, by health district, the following information: (i) the current number of hospital beds; (ii) the current bed-population ratio; and (iii) the reductions in the numbers of beds which are projected to reach the bed-population ratios of 3.5 for southern Ontario and 4.0 for northern Ontario by June 1981? (May 1, 1981.)

Hon. Mr. Timbrell: The information requested is shown in the attached table. The ministry, however, has no plans to request hospitals to reduce the number of acute beds at present in service. This information was conveyed to hospitals in the ministry's budget letter of March 1981.

Area	Beds/1,000 Referral		
	Acute beds	referral population	population (1,000)
Southwest	5,386	4.12	1,307
Central west	6,124	3.61	1,696
Central east	13,595	3.63	3,745
East	4,856	4.05	1,119
Northeast	2,654	4.84	584
Northwest	1,159	5.02	231
	33,774	3.87	8,726

63. Mr. McClellan: Will the Minister of Health table the most recent numbers of hospital beds, broken down into: (i) active treatment beds; and (ii) chronic care beds? (May 1, 1981.)

Hon. Mr. Timbrell: As of March 31, 1981, there were 33,774 acute care beds and 9,859 chronic care beds.

AMBULANCE SERVICES

68. Mr. McClellan: Will the Minister of Health provide a list of ambulance services, indicating whether they are provincially run, municipally run or privately operated? What is

the number of ambulances operated by each service? (May 1, 1981.)

See sessional paper 117.

PREVENTIVE HEALTH COSTS

70. Mr. McClellan: Will the Minister of Health list the program and indicate the total dollar cost for 1981-82 of all directly initiated preventive health initiatives? (May 1, 1981.)

Hon. Mr. Timbrell: Official local health agencies:

Ongoing operation of public health units	\$59,922,700
Ongoing operation of other programs, i.e., mosquito abatement	\$ 800,00
New initiatives including improvement in Ministry's share of funding health unit programs (\$1,337,300)+ other changes including inflation (\$8,426,500)	(\$ 9,736,800
Outbreak of diseases, immunization programs	\$ 8,268,200
Chest disease service and tuberculosis prevention	\$ 4,802,500
Home care programs which prevent institutionalization	\$67,331,700
Health education and promotion programs	\$ 800,000

Includes new initiatives such as:

- Sexually Transmitted Diseases: educational component includes general brochure on STDs—medical and behavioural aspects of STDs as well as reporting/contact tracing procedures.
- Mental health—Mental Health Week (May 3 to 9, 1981) a health promotion campaign (TV, radio, and print public service announcements) providing information on stress management.
- Public health—posters, pamphlets, displays and advertising to

increase awareness of preventive measures that contribute to good health or protect against illness: e.g., rabies, food handling, nutrition, alcohol consumption.

—Smoking—exhibit for teens on smoking prevention will tour to Thunder Bay, Sault Ste. Marie, Ottawa and Oshawa during 1981.

Continuing initiatives include:

—Dramatic presentation in primary schools throughout Ontario with preventive health messages for children 8 to 14 years.

—Educational programs in immunization, dental health, poison prevention, nutrition improvement, and Health Begins at Home campaign.

Total cost \$151,688,900

PSYCHIATRIC HOSPITALS

76. Mr. Ruprecht: 1. How many psychiatric hospitals were there in the province in the years 1965, 1975 and 1980? 2. How many psychiatric beds were there in the years 1965, 1975 and 1980? 3. What was the average length of stay in a psychiatric hospital in the years 1965, 1975 and 1980? 4. What was the availability of beds in psychiatric hospitals in the years 1965, 1975 and 1980? (May 5, 1981.)

Hon. Mr. Timbrell: 1. Number of Psychiatric Hospitals in the province:

1965—25 facilities (10 of these were mental retardation facilities, responsibility for which was transferred to the Ministry of Community and Social Services in 1974);

1975—15 facilities;

1980—10 facilities.

2. Number of psychiatric beds (excluding public, private and miscellaneous facilities (approved):

1965 (December 31)—15,257 (including mental retardation facilities);

1975 (December 31)—6,704;

1980 (March 31)—4,891.

3. Average length of stay in a psychiatric hospital:

1965—not available;

1975—not available;

1980—under 12 months, 50 days;

—over 12 months, 1,585 days.

4. Availability of beds in psychiatric hospitals:
1965—not available;
1975—82 per cent occupancy rate of beds set up;
1980—85 per cent occupancy rate of beds set up.

INTEREST ON BAIL MONEY

83. Mr. Breagh: Will the Attorney General table the estimated windfall profits gained by banking institutions from bail moneys deposited by the courts? (May 8, 1981.)

Hon. Mr. McMurtry: There is a total of 63 bail trust accounts located in various branches of chartered banks, a trust company and the province of Ontario Savings Office. Fifty-one of the 63 accounts have balances of less than \$20,000. At the fiscal year ended March 31, 1981, there was a total of \$1,610,285 deposited in the accounts, of which \$502,213 was in interest-bearing accounts. Most of the individual bail amounts are for sums under \$200, which have rapid turnover and are in accounts only for very short periods of time.

I have instructed officials of the ministry to ensure that court offices obtain the maximum benefit from moneys on deposit.

COSTS OF INQUESTS

84. Mr. Breagh: Will the Solicitor General table the total cost in 1980 of inquests into fire deaths, property loss due to arson and the estimated cost of implementing one, unified fire code and inspection service? (May 8, 1981.)

Hon. Mr. McMurtry: (a) The total cost in 1980 of inquests into fire deaths, exclusive of staff salaries, was \$49,375.68.

(b) The property loss in 1980 due to arson was \$50,650,965.

(c) The estimated cost of implementing one, unified fire code is approximately \$235,000. The costs of a unified inspection service are still being determined.

POLICE CAR CHASES

85. Mr. Breagh: Will the Solicitor General table the total cost estimate of damages caused by high-speed police chases in 1980? (May 8, 1981.)

Hon. Mr. McMurtry: Prior to July 1, 1980, the ministry did not keep statistics on damages caused by high-speed police chases. During the last six months of 1980, the amount of property damage was \$498,436.65.

LABOUR DISPUTES

87. Mr. Breagh: Will the Solicitor General table the estimated costs of police intervention into labour disputes in 1980? How many charges were laid? What were the related court costs? (May 8, 1981.)

Hon. Mr. McMurtry: The information requested is not readily available from the municipal police forces. It could only be obtained by conducting a special survey which would be time-consuming to complete. Additionally, such a survey may not be accurate since in many situations police attention to labour disputes is closely related to other duties such as traffic enforcement.

However, the Ontario Provincial Police has estimated that 36,280 man-hours were expended relative to labour disputes in 1980 resulting in costs of \$416,131. Ninety-nine charges were laid. The court costs are unavailable.

HOTEL FIRE SAFETY

88. Mr. Breagh: Will the Solicitor General table the names, qualifications and the records of training in all aspects of fire safety of: (i) investigators employed in the office of the fire marshal, and (ii) investigators employed by the Liquor Licence Board? (May 12, 1981.)

Hon. Mr. McMurtry: (i) Office of the fire marshal inspection staff:

Beckett, R. G.; two years firefighter, four years fire prevention officer, Waterloo Fire Department; fire protection technology course, OFC, seven weeks; Ontario fire prevention officer conference, one week; LLBO seminar by OFM, six days; Insurers' Advisory Organization, sprinkler course, one week; OFM monthly seminars, 15 days.

McIlwain, D.; seven years firefighter, seven years fire prevention officer, Burlington Fire Department; fire protection technology course, OFC, 22 weeks; Ontario fire prevention officer conference, two weeks; LLBO seminar by OFM, six days; fire alarm seminar, one day; OFM monthly seminars, 22 days.

Preston, G.; eight years firefighter, four years fire prevention officer, Peterborough Fire Department; fire protection technology course, OFC, seven weeks; Ontario fire prevention officer conference, one week; LLBO seminars by OFM, six days; effective speaking course (MSG), eight days; hazardous materials by NFPA, one week; transportation of hazardous materials, one week.

Robertson, D.; three seminars on Hotel Fire Safety Act; lateral transfer from Ministry of Industry and Tourism, December 1, 1976: in-service training at OFM, seven months; fire prevention courses, OFC, seven weeks; Ontario fire prevention officer conference, one week; OFM monthly seminars, 46 days; LLBO seminars by OFM, six days.

Watkins, P. S.; two seminars on Hotel Fire Safety Act; lateral transfer from Ministry of Industry and Tourism, December 1, 1976: in-service training at OFM, seven months; fire prevention courses, OFC, seven weeks; Ontario fire prevention officer conference, one week; OFM monthly seminars, 46 days; LLBO seminars by OFM, six days; seminar on range hood protection, three days.

(ii) Liquor Licence board inspection staff; Two of the 113 staff members have completed the fire protection technology course at the Ontario Fire College. Approximately 25 have taken the week-long Insurers Advisory Organization fire protection course at Underwriters' Laboratories. All staff members have taken a three-day seminar on hotel fire safety conducted by the Office of the fire marshal in January 1981 or similar seminars held in the past. The rest of their training is provided by the Ministry of Consumer and Commercial Relations.

HOTEL FIRE SAFETY

89. Mr. Breagh: Will the Solicitor General list the recommendations respecting hotel fire safety of all coroners' juries investigating hotel fires since 1971, indicating: (i) the date of each, and (ii) the action taken in response thereto? (May 12, 1981.)

See sessional paper 123.

EDUCATION STATISTICS

97. Mr. Grande: Will the Minister of Education table for each school board in Ontario for 1979, 1980, 1981, using interim and estimate figures where necessary: 1. the average daily enrolment; 2. per pupil grant ceiling; 3. per pupil expenditures; 4. total expenditure; 5. total local taxation; 6. total provincial assistance; 7. rate of grant on recognized ordinary expenditures; 8. provincial contribution as a percentage of the total local school board expenditures; 9. rate of grant for French language instruction; 10. decline or increase in number of students from previous year; 11. decline or increase in number of full-time equivalent teachers from

previous year; 12. number of self-contained special education classes; 13. number of full-time equivalent teachers of special education classes; 14. number of heritage language classes; 15. number of students studying heritage languages; 16. number of pupils whose first language is neither English nor French; 17. number of self-contained classes for pupils whose first language is neither English nor French; 18. number of full-time equivalent teachers of classes for pupils whose first language is neither English nor French? (May 20, 1981.)

See sessional paper 131.

HAMILTON RAPID TRANSIT STUDIES

102. Mr. Mancini: What studies have been prepared for or by the UTDC and its subsidiaries and/or the ministry pertaining to a proposed rapid transit line to link downtown Hamilton to its suburban areas? 2. What alignments have been proposed and how are they determined? 3. What demand studies have been undertaken to determine project ridership? 4. What alternatives to an ICTS mode have been studied and what is their cost? 5. What total costs have been incurred by the ministry or the UTDC or its subsidiaries in this project to date? (May 29, 1981).

Hon. Mr. Snow: 1. (a) Hamilton Rapid Transit Network: A Discussion of Potential ICTS Routes in Hamilton, November 1975, prepared by the Planning Division, UTDC; (b) UTDC Urban Design Study: Case Study 1 and 2: Hamilton-Wentworth, October 1977, prepared by Barton Myers Associates for UTDC.

2. Four routes have been identified for public review and discussion. These routes were identified on the basis of regional goals and objectives as expressed in the official plan. Other factors included geological and engineering factors, transportation service factors, existing and future land development patterns, cost, social impacts and environmental protection requirements. The four routes are based on either upper James or upper Wellington Street on the Mountain and Hughson Street, John Street, the Toronto Hamilton and Buffalo Railway right-of-way or Wellington Street below the escarpment.

3. (a) Report on Rapid Transit, August 1969; prepared by the Transit Planning Work Group for the Hamilton Transit Planning Committee.

(b) Draft Official Plan 1970 of the City of

Hamilton, prepared by the planning department, city of Hamilton.

(c) Hamilton Area Rapid Transit Study: Physical Feasibility Report, July 1970; prepared by DeLeuw Cather Limited for the Hamilton Transit Commission.

(d) Hamilton Transportation Strategy Study, June 1973; prepared by the traffic department, city of Hamilton.

(e) A Study of Existing Rights-of-Way for Intermediate Capacity Transit Application in Canadian Cities: Hamilton, March 1976, prepared by DeLeuw Cather Limited for the Transportation Development Agency, government of Canada.

(f) Hamilton Rapid Transit Development Program: Recommended Priority Corridor Within the Basic Trunk Network, September 1976, prepared by DeLeuw Cather Limited for the city of Hamilton and Hamilton Transit Commission in co-operation with the region.

4. (a) The 1970 report, Hamilton Area Rapid Transit Study: Physical Feasibility Report, considered conventional rail rapid transit, Westinghouse transit expressway, tracked air-cushion vehicles, bus rapid transit and monorails, and evaluated their costs and characteristics. The report concluded that the total cost would be in the range of \$90 million to \$125 million for a route linking the Mountain to the downtown and the bayfront, but did not recommend a specific transit modal alternative.

(b) The 1976 report, Hamilton Rapid Transit Development Program: Recommended Priority Corridor Within the Basic Trunk Network, compared the characteristics of five alternative modes—high capacity rapid transit, light rail rapid transit, automated transit, bus rapid transit and monorail transit—but did not prepare design or detailed cost estimates for any. This study suggested that a rapid transit link from downtown to the mountain could be constructed for \$40 million to \$60 million in 1976.

(c) The present study will analyze the capability of other modes to provide transit service between the Mountain and the downtown in comparison to ICTS. Modes to be studied will include heavy rail, streetcar, buses, and the "do nothing" automobile alternatives. This analysis will form part of the environmental assessment submission.

5. Under the terms of the contract between the regional municipality of Hamilton-Wentworth and UTDC dated August 12, 1980, as of the end of April 1981, UTDC had established

expenditures of \$2,243,077 and had billed the region for a total of \$1,851,766.

SEX OFFENCES

112. Mr. McClellan: Will the Ministry of Correctional Services advise the House how many men were charged and how many were convicted, and on what charge, for sexual offences against female children under age 16 and under age 14 in 1978 and 1979? What were the ages of the men; what were the sentences handed down for conviction? (June 3, 1981)

Hon. Mr. McMurtry: The Ministry of the Attorney General does not maintain records which indicate the type of charges and the number of convictions for sexual offences against female children under age 16 and under age 14. I have been advised by officials of the Ministry of Correctional Services that neither are such records maintained by that ministry.

ENVIRONMENTAL ASSESSMENT

114. Mr. Smith: Would the Minister of the Environment provide the names of all those projects which were placed under the Environmental Assessment Act for which construction on the project began before the final approval process ended, and the dates when such construction began? (June 3, 1981.)

Hon. Mr. Norton: 1. Ministry of Transportation and Communications, Detour Lake access road. Tree clearing commenced on or about February 4, 1981. Exemption for tree clearing activity granted February 11, 1981.

2. Ministry of Transportation and Communications, Highway 404 (Gormley to Aurora Sideroad). Construction commenced on or about May 4, 1981. Exemption regulation for completion of construction approved May 27, 1981.

3. Ministry of Natural Resources, implementation of Wasaga Park master plan. Implementation and acquisition from July 31, 1977. Exemption order MNR-15 granted March 29, 1979.

4. Ministry of Colleges and Universities, construction of Georgian College, Orillia campus. Tree clearing commenced on or about September 28, 1978. Exemption order MCU-2 granted October 25, 1978.

5. Toronto Area Transit Operating Authority, Downsview bus storage and maintenance facility. Construction commenced in October

1978. Exemption order MTC-17 granted May 7, 1979.

6. Ministry of Natural Resources, Ringwood fish hatchery. Acquisition in fall 1979 and upgrading of facilities during winter 1980. Exempted April 2, 1981, MNR-34.

115. Mr. Smith: Would the Minister of the Environment provide a list, by year since the Environmental Assessment Act was proclaimed, of all the projects exempted from the Environmental Assessment Act? (June 3, 1981.)

See sessional paper 132.

WINTARIO DRAW COSTS

116. Mr. Ruston: Would the Minister of Culture and Recreation advise the House of the cost to the Ontario Lottery Corporation for the Wintario draw held in Belle River, Ontario, on May 14, 1981? Would he also advise the total charges of the Global Television Corporation for producing lottery draws in Ontario for the year 1979-80, 1980-81? (June 3, 1981.)

Hon. Mr. Baetz: 1. The estimated costs of the Wintario draw in Belle River, Ontario, on May 14, 1981 were \$21,113.

2. Total charges of the Global Television Corporation for producing 35 lottery draws for the year 1979-80 were \$435,340. For the year 1980-81, total charges of the Global Television Corporation for producing 52 lottery draws were \$832,046.

The cost differential between the two periods is due to the following factor: Wintario moved to a weekly draw in November 1979. The fiscal year 1980-81 was therefore the first year in which there was a draw every week.

NEWCOMER INTEGRATION GRANTS

117. Ms. Bryden: Will the Minister of Culture and Recreation table the report on newcomers' integration grants prepared for the Settlement Program and Planning Committee? (June 3, 1981.)

Hon. Mr. Baetz: No report on the newcomer integration grants program was prepared for or submitted to the Settlement Program and Planning Committee.

CHILD ABUSE

118. Mr. R. F. Johnston: Would the minister table with the House any reports conducted by his ministry on the matter of child abuse in institutional settings? (June 3, 1981.)

Hon. Mr. Drea: Reports on the matter of child abuse in institutions are:

1. Guidelines and Procedures for the Reporting and Follow-up of Serious Occurrences.
2. Guidelines for the Investigation of Resident Abuse and Suspected Resident Abuse in Facilities for the Mentally Retarded.

See sessional paper 118.

RENTAL CONSTRUCTION LOAN PROGRAM

128. Mr. Philip: Will the ministry list each application approved under the Ontario rental construction loan program? Will the Ministry provide in its response the name of the developer, the exact location of the development, the municipality, the number of units by apartment size (one bedroom, two bedroom, three bedroom) and the date on which construction must commence under the term of the program? (June 8, 1981.)

129. Mr. Philip: Will the ministry list all developments approved but not constructed under the Ontario rental construction loan program? (June 8, 1981.)

See sessional paper 133.

COST OF RECEPTION

136. Ms. Bryden: 1. Would the government report the total cost of the reception at the Legislative Building for the Young Presidents of America on June 2, 1981, (including the costs of bands, pipers, chartered buses, food and non-alcoholic refreshment, alcoholic beverages and extra staff for the occasion? 2. Would the govern-

ment report how many persons were invited to the reception, showing the number of: (a) Young Presidents of America; (b) members of the Legislature; (c) provincial government employees; (d) municipal representatives; (e) representatives of business firms; (f) representatives of trade unions; (g) other members of the general public? (June 8, 1981.)

Hon. Mr. Wells: 1. The total cost to the government for the reception for the Young Presidents of America was \$417 for overtime paid to manual workers and the parking lot attendant.

2. The number of people invited to the reception was as follows: Young Presidents of America, 1,200 (including spouses); members of the Legislature, 27; civil servants, 1; municipal representatives, nil; business representatives, nil; labour representatives, nil; other public, nil.

INTERIM ANSWERS

103 to 111. Mr. Ruprecht: Additional time is needed for the assembly of all relevant information. Accordingly, a detailed response to the above questions will be submitted the week of June 15, 1981—Hon. Mr. Baetz.

113. Ms. Copps: Due to the large number of questions addressed to my ministry, additional time is required to prepare the response. A complete response will be tabled on or about June 26, 1981—Hon. Mr. Timbrell.

114, 115. Mr. Smith: Additional time will be required in order to provide an answer to the above-mentioned questions. The answers will be ready on or about June 18, 1981—Hon. Mr. Norton.

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No. 54

Legislature of Ontario Debates

Official Report (Hansard)

First Session, Thirty-Second Parliament

Monday, June 22, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 22, 1981

The House met at 2:01 p.m.

Prayers.

ORAL QUESTIONS

Mr. Smith: Mr. Speaker, I will ask the first question of my good friend the Minister of Consumer and Commercial Relations (Mr. Walker), who has just come into the House.

Mr. Nixon: He should have known better.

Mr. Smith: I was in Kingston on the weekend. The Minister of the Environment (Mr. Norton) notes that. The Conservative members at various levels of government in Kingston are known there as Flora and fauna. I am not sure what that says for the Minister of the Environment, but we had a wonderful time. It is a beautiful city indeed.

Interjections.

Mr. Cassidy: On a point of privilege, Mr. Speaker, since you were seeking to catch my eye: I intended to send this to the Leader of the Opposition before, but in view of the gulf that has opened up between him and the rest of his party, and the fact that I have been accused of writing his speeches, I would like to send him a copy of a membership application to the New Democratic Party. He would be welcome—

Interjections.

Mr. Cassidy: Mr. Speaker, in addition, I would tell him that the rate for unemployed is only \$3.

Mr. Smith: One can understand why the member for Ottawa Centre would have looked into that rate.

Interjections.

Mr. Smith: I am very grateful for this membership application, and I certainly want to assure you, Mr. Speaker, that I can understand the sensitivity of the New Democrats, who have so little terrain left that any sense that anybody is moving in on what terrain they have is very frightening to them. But I will take this as an honour and a privilege, and I will put it with many other mementoes of my political life. I will remind myself of one—

Mr. Cassidy: As the member sits in his study reflecting on his dutiful past.

Mr. Smith: I was disappointed to learn, however, Mr. Speaker, that there are no Messiahs in that group. I would have thought that somewhere in the NDP caucus there would be somebody capable of leading the party to something better than it has already achieved, and I was so sorry to hear that there are no Messiahs there.

Mr. Speaker: Mr. Smith, you have a question of the minister?

ASTRA/RE-MOR

Mr. Smith: Yes, Mr. Speaker, I certainly have a question of the minister. The minister will recall that on Thursday I presented him with a letter which warned his ministry back in July 1979 that Astra Trust was acting as a front for Re-Mor long before either Astra or Re-Mor collapsed in the spring of 1980. We have been looking through the transcripts of the justice committee, and it seems that everybody who had been intimately involved in monitoring the Montemurro problem since the summer of 1978 said he learned of Re-Mor and what it was doing only in early 1980.

I would like to ask specifically, has the minister taken time to check since Thursday as to what happened? Did Mr. Roach, who received this letter, speak to any living soul about the letter he received? Did he talk to anybody in the ministry, any superior, anybody in the Ontario Securities Commission? I ask the minister to remember, when he answers this question, that during the time after that letter arrived, the Montemurro companies were probably the biggest problem his ministry had. Everybody had been red-flagged to watch out for those particular companies. To whom did Mr. Roach speak when he received that letter?

Hon. Mr. Walker: Mr. Speaker, Mr. Roach apparently received this letter some time after it was written on July 23. Coincidentally, I am told the letter actually arrived the very day he received the telephone call. It is my understanding that Mr. Roach spoke to the director, Mr. Harry Terhune, and basically conveyed the information there.

I do remind the honourable member that we received from the lawyer who had sent the

letter, Mr. McGlynn, coincident with the time the letter was received, a telephone call that basically said nothing was to be done. Indeed, I have now circulated a memo to file, which I do not have in front of me at the moment, that was done by the individual who received the call. The memo to file indicates very emphatically, and I am sure the member has a copy of that memo by now, that we were to do nothing—"we" being the Ministry of Consumer and Commercial Relations—in respect of the file, or in respect of the complaints that were laid.

Of course, as the member appreciates, the essence of the letter was basically that some people did not receive what they had planned to be receiving, or information they were supposed to get. So the memo to file was that nothing was to be done, but that particular file was to be kept open until such time as our ministry received from Mr. McGlynn a letter stating he had received his money back.

In fact, a few days later a letter was received from Mr. McGlynn which indicated that the moneys had been paid in full and therefore the matter was, in essence, from reading the memo before, resolved. I would point to paragraph four of the memo which says: "McGlynn asked this office not to act on his complaint but to keep the file open until he sends a written confirmation from him to confirm that his client has received his funds in full and is satisfied." That was agreed to by the person who received the call.

Within a matter of days, the letter came in from Mr. McGlynn, dated July 31. The memo was dated July 27 and involved the call made that day. This letter, dated July 31, was written to the Ministry of Consumer and Commercial Relations. It said: "Dear Mr. Roach," Mr. Roach being the chief examiner; "Re: Astra Trust Company." Incidentally, they are talking about the federally incorporated Astra Trust Company through which, of course, 98 per cent of all the funds were funnelled before being dealt with in the Re-Mor matter.

It said: "Further to my letter of July 23, 1979, in connection with an investment made by Sheila and Henry Ramsey with Astra Trust Company, I would confirm that the Ramseys' investment with Astra has been returned to them in full with interest to the 27th day of July, 1979."

As I said, when read in conjunction with the memo to file written by the person who received the call—"McGlynn asked this office not to act on his complaint but to keep the file open until

he sends a written confirmation from him to confirm that his client had received his funds in full and is satisfied"—in the light of that, I think it was obvious what would be done.

2:10 p.m.

The member should remember that this was the first indication there was anything untoward. The ministry receives something in the range of several thousand letters of complaint in a year. The fact one would be sent, then basically withdrawn by the lawyer and the ministry told not to act upon it, tells one exactly what was done by the ministry.

Mr. Smith: Given that the standing committee on administration of justice was told plainly by Mr. H. S. Bray that the ministry did not know about Re-Mor until well into the end of January 1980, and given that the minister has now said Mr. H. R. Terhune, a very senior official indeed—the assistant registrar, I believe, of the trust companies division—was given this letter and told about it—a detailed letter, not by a crank—on the subject that was of paramount interest to the ministry at the time, stating that trust company or mortgage company had been operating in this particular case, could the minister answer two questions?

First, what right did Mr. Bray have to say the ministry had not heard of the Re-Mor situation in 1979 when this letter had in fact been received and discussed with Mr. Terhune? Second, does it strike the minister as even conceivable, let alone reasonable, that such a detailed letter into the operation of this front that Astra was providing for Re-Mor should simply go totally ignored, based merely on the fact that, when threatened with such a letter, Mr. Montemurro and his friends coughed up the money to that investor?

Hon. Mr. Walker: There are a couple of things to keep in mind. One is that the Re-Mor spoken of in this letter was certainly a different company from the Re-Mor Investment Company Limited that was originally incorporated some six or eight months earlier in 1979. The Re-Mor investment company here was a division of a totally separate company of Via Mare investments.

That should be kept in mind, plus the fact that Mr. Bray, I assume, was speaking for the benefit of the Ontario Securities Commission, of which he is the vice-chairman. Whether he would arrogate unto himself the right to speak entirely for the ministry is a question that is open to

consideration. Probably in the light of what had been received, that would not be an accurate statement.

Given that the ministry had received this correspondence—and the member should remember it was not at all unusual for trust companies to be acting as mortgage brokers—and given the fact a complaint was received and basically we were told not to act on the letter, I think it was reasonable under the circumstances for the individuals involved not to continue action.

As one reads all this in the context of the whole affair, of course one looks back on it, and hindsight would tell one it should have been a trigger. Given that we receive thousands of letters a year in that one division alone, it would not seem unreasonable at all that in one of them we should be told: “Do not act on this one letter, but keep the file open until we get our money back. We will let you know when we get our money back. After we get the money back, do not act any further on it.

Mr. Cassidy: Supplementary, Mr. Speaker: The minister is saying the policy at the time in the Ministry of Consumer and Commercial Relations was that, no matter what the seriousness of allegations made by somebody who felt he was getting a raw deal from a corporation licensed by the ministry, it did not matter as long as that individual’s complaint was satisfied by means of repayment of the funds that had been invested.

Is that what the minister is saying, and is he not therefore opening the door to a situation where anybody who is conducting a shady enterprise can avoid investigation by this government or by his ministry as long as he pays off the complainant and gets the complainant off his back? If that is the case, how does he defend that kind of shortsighted policy when there were so many other people who were potentially at risk?

Hon. Mr. Walker: Mr. Speaker, I would have to say there are a number of things I could answer in response to the last question, and I intend to make a statement in that regard in which I think the member will be most interested. Perhaps when the House sits—if it sits—Wednesday or Thursday, I will have some opportunity at that time to explain fully what this ministry has done in that regard.

The other aspect is that I think the leader of the New Democratic Party is again confusing the companies, because there was not a concern about the Re-Mor Mortgage Investment Com-

pany. It was not limited. It was not that which was being complained about. It was basically a different type of Re-Mor Investment Management, which was part of Via Mare, a different form of company. There is no question that they ultimately became amalgamated, but at that point historically, it would be very difficult to draw any connections between them.

Mr. Smith: Supplementary, Mr. Speaker: Since the minister has said that in hindsight the matter should have been looked at at the time, even though he understands why it was not, I would hope the minister would agree that there were an awful lot of instances of this kind. Now it is Roach and Terhune who should have done something which they did not do and previously it was Weinstein.

Does the minister not recognize that at some point the public will want to know why there were so many people there who should have done things and did not, or whether there was influence brought to bear on some of these individuals, and if they acted reasonably in the circumstances or not? The public needs to learn that and needs more than the minister’s assurance, surely.

Since he wants to make a big thing about Re-Mor Investment Management Corporation being different from Re-Mor Investment Management, a division of Via Mare Ventures—he said he was briefed on this matter, and yet he is laying a smokescreen down—does the minister not know that Re-Mor, a division of Via Mare Ventures, was a mortgage brokerage operation and the prototype for the Re-Mor Investment Management Corporation? Does the minister know that Re-Mor, a division of Via Mare, collected \$2 million from investors on mortgage agreements, and these were later assumed by Re-Mor Investment Management Corporation in late 1979?

The point is that Astra fronted for Re-Mor, a division of Via Mare, and then fronted for Re-Mor, a management corporation—a separate corporate entity perhaps, but it was the same money, the same investors. The ministry still states it did not learn of Re-Mor and the way in which Astra was fronting until 1980; yet a warning letter was ignored in 1979.

Will the minister finally permit the public to find out what happened within the ministry, and either continue the justice committee hearings in a decent manner or have a royal commission so the questions and allegations can finally, once and for all, be settled properly?

Hon. Mr. Walker: I think the member is very clearly spelling out some of the arguments that we are presenting to the federal government in respect of the Astra Trust Company, the federally licensed and federally incorporated business that was, it would appear, fronting directly for this particular operation and, of course, what ultimately became the mortgage brokerage company. Consequently we are continuing these arguments with the federal government. We think there is a significant amount of responsibility involved in the whole matter as it relates to their dealing with Astra Trust.

Ninety-eight per cent of the money went through Astra Trust. Ninety-eight per cent of the money was funnelled through Astra Trust, and woven throughout it was what appeared to be a very fraudulent matter. The one thing that is very important here is that the government cannot guarantee against fraud. That is one thing to keep in mind.

With respect to the letter itself, in essence, this letter from Bowlby Luchak, and Mr. McGlynn directly, was basically a letter saying that some people did not get what they thought they were getting, which is quite common in terms of the kinds of complaints that we receive in our ministry. There appeared to be a communication problem. Indeed, Mr. McGlynn, the writer of this letter, before withdrawing his action, sent along correspondence that showed there had been a fair amount of letter writing back and forth between the principals involved. It appeared, in many respects, that there was a communication problem—a communication problem which was resolved.

2:20 p.m.

HOUSING PRICES

Mr. Smith: Mr. Speaker, I have a question to the Minister of Housing. I would have preferred to have asked the Treasurer (Mr. F. S. Miller) but in his absence I will direct the question to the Minister of Housing.

I am sure he has now had sufficient time to reflect on what housing costs are today and the impact of the record high interest rates and what the average family income is in Ontario. Given that he has had enough time to go over these figures, can he tell us what forms of assistance the government might contemplate in order to enable the average Ontario family to purchase a home and thereby have a real stake in society and some protection against inflation as inflation continues? What program will the

government contemplate to help people purchase a home, however modest the home might be?

Hon. Mr. Bennett: Mr. Speaker, I think just a week or so ago the Treasurer very clearly answered a similar question from the leader of the Liberal Party and a supplementary from the leader of the third party. He said that at this point he does not contemplate recommending to his cabinet colleagues any program in relation to subsidizing interest rates. That seems likely to be the most complicated part of the house purchasing program today.

Mr. Smith: The minister must surely know seven other provinces do have programs to assist first-home buyers. There is no ideological problem in the mind of this government, since only a few years ago it brought in assistance for first-home buyers in addition to the home ownership made easy program, the Ontario housing action program, and so on. Given these points, why would the minister feel that at this time, when average working families are simply unable to protect themselves against inflation, actions which were reasonable a few years ago should not be taken now? This government has helped with first-home buyer grants in the past. Why would it not do so now when inflation is eroding the possibilities of a decent life in the future for so many of our working people and their families?

Hon. Mr. Bennett: Mr. Speaker, my ministry continues to do some assessments of programs that might possibly be introduced into this province, but we do go back and reflect upon some of the programs in the past. The first-time home buyer grant did not receive very wide acceptance by the member's party, if I may say so. It was criticized and ridiculed throughout its existence—

Mr. T. P. Reid: It was the timing of the thing. Interjections.

Mr. Speaker: Order. Order.

Hon. Mr. Bennett: There was some realistic criticism of the home ownership program, and not only because of its timing. Some people made use of it who should not have. I think one or two of them were rather close to home with the federal Liberal Party, if I recall correctly.

Mr. Nixon: You're not going to like this, but—

Hon. Mr. Bennett: No interruptions please.

AHOP was a program which helped to bring a great number of units on stream and this

government piggybacked it with the federal government. It received a lot of criticism and also brought a lot of people into a position of not being as realistic about what their long-term financial commitments were going to be to home ownership.

We continue to review programs. I am not about to recommend to the Treasurer nor to the Premier (Mr. Davis) any program at this time, even though I understand what some of our sister provinces are doing. Some of them have been able to do it on a very limited basis. They have zeroed in on first-time ownership, first-time construction, construction with materials of which the biggest percentage is those made in that particular province—I am referring to British Columbia in respect to its wood.

At this time I have not proposed a program, even though the ministry at the moment continues to review it for some possibility of something in the future.

Mr. Cassidy: Supplementary, Mr. Speaker: Is there any point at which the government will be prepared to move? Or is the government saying that no matter how high the price of housing rises in Metropolitan Toronto and the rest of the province, no matter how high the interest rates rise, no matter how high the monthly carrying costs go, this government, secure in its majority, will do nothing for the average families in Ontario? Why are they not prepared to recognize the problems that average families are having in Ontario today?

Hon. Mr. Bennett: Mr. Speaker, as long as we start by recognizing that the question has three very distinct parts, we recognize—and I trust this afternoon I will have an opportunity of speaking further on this—that interest rates have continued to escalate, and that, I think we will all agree, is not a provincial responsibility. It is not; unless I have an argument coming from the official opposition party or the third party, I can tell you, Mr. Speaker, interest rates are not the responsibility of this province.

In relationship to the cost of housing, and I trust the leader of the third party will go back and do a little bit of research if he is going to talk about the cost of housing in most communities in this province, it has not kept pace with inflation. I have said, time and time again, that if one wants to look at the housing market as being only that in the downtown Toronto area, then obviously it is out of all proportion or all realism. But when we move out a way from this metropolitan area and multiple listing services—

Mr. Cassidy: Where, Scarborough?

Hon. Mr. Bennett: —indeed, our ministry, Canada Mortgage and Housing Corporation, and so on, will show very clearly that the cost of housing in many areas—

Interjection.

Hon. Mr. Bennett: —and I say to the member for London Centre (Mr. Peterson) that the increase in the cost of housing in the London area in particular has been nowhere close to the cost of inflation or the inflationary factors we have experienced over the last five or six years. Housing today in that area costs slightly less on a dollar basis than it was five years ago. That is also true of other communities in Ontario.

Mr. Epp: Supplementary, Mr. Speaker: About a week ago the minister on the same subject said, and I quote: “I have said very clearly to my government, I have suggested to the Chairman of Management Board (Mr. McCague), the Premier and the Treasurer that if we are about to start interfering with interest rates, I trust we are talking not only about new units but also about people renewing mortgages, who could come to us with the same song and dance that they are having difficulty, and understandably so.”

I wonder whether the minister would clarify what he means by “the same song and dance”? Is he saying these people who are having difficulty in trying to purchase homes are just making the same song and dance, that he is not taking it very seriously and therefore not recommending cabinet do anything about the whole matter?

Hon. Mr. Bennett: Mr. Speaker, at the time I was referring to the question of whether the government was going to enter into any kind of a program to subsidize interest rates—and I underline again, if the government is to enter into such a program—whether it should be at this level or the federal level. I trust it is going to be looking at trying to comfort or cushion the interest rates that will be experienced, not only by people buying new units in the marketplace today, but indeed by those who might be buying a resale home.

I do not believe we should be trying to deal exclusively with one sector of the purchasing power or the purchasing area of housing. There are a number of young couples who are buying homes that have been on the market and that maybe have been resold once or twice before. Even though it is their first-time purchase, I think if we are looking at comforting or cushioning the interest rates, we will have to do it on a very broad scale and not singularly to the housing industry.

WELCOME TO MRS. McDONOUGH

Mr. Speaker: I would inform all the members of the House and ask them to join with me in welcoming a special guest in the Speaker's gallery, Mrs. Alexa McDonough, who is the leader of the Nova Scotia New Democratic Party.

Mr. Cassidy: Mr. Speaker, my friend Mrs. McDonough is also—

Mr. T. P. Reid: I'll make you an even trade—you for him.

Mr. Cassidy: My friend Mrs. McDonough is also the first woman to be the leader of a political party in any province in Canada.

While we are on the subject of the triumphs of socialism, I hope all members will feel as strongly as I do in welcoming the news from France about the majority that has been gained by the Socialist Party in the chamber there.

2:30 p.m.

HOUSING PRICES

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Housing. Since the minister seems to wash his hands of the situation in central Toronto, I would like to ask the minister if he is aware that in Scarborough, according to Royal Trust's surveys which have been going on for some time, the price of an average three-bedroom bungalow without a recreation room, without a fireplace, without appliances—simply a three-bedroom bungalow of about 1,200 square feet, the kind that many workers at General Motors used to be able to afford many years ago—has gone in one year from a price of \$84,000 to \$120,000.

The cost of owning that bungalow has risen to the point where a year ago it needed a family income of \$37,000 and today it needs a family income of \$69,100 to pay for the interest, to pay for the taxes and to pay for the cost of ownership. Given the fact it now costs \$69,000 in income to afford a very average bungalow in Scarborough, would the minister not agree it has now become impossible for families on average incomes to have a home of their own anywhere in Metropolitan Toronto?

Hon. Mr. Bennett: No, Mr. Speaker.

Mr. Cassidy: Would the minister say what the family should do if it wants to buy that bungalow in Scarborough, given the fact it would have to pay \$20,730 a year for the taxes, the principal and the interest at today's mortgage rates—not counting the cost of heat, not counting the cost

of utilities, and not counting the fact the owners also have to eat, look after the kids, pay for the car and that kind of thing? How is a Metropolitan Toronto family on an average family income, which runs just under \$30,000, going to get by if it has to spend two thirds of its income to have that very average bungalow in Scarborough? What advice can the minister give to them?

Hon. Mr. Bennett: First of all, Mr. Speaker, I have said many times in this House, and I repeat today, not everyone is going to be able to buy the dream home that she or he started out to look for. Let us be realistic.

Mr. Martel: Dream home? Twelve hundred square feet?

Mr. Speaker: Order.

Hon. Mr. Bennett: I have said before and I repeat again that sometimes reality has to take over. It is fine for the lame duck leader of the third party to stand here this afternoon and start giving me all this stuff about what it would take in average incomes. He is talking about a particular bungalow in Scarborough. I say very clearly, if that particular individual wishes to buy, he or she will find a unit within the price range that his or her income will accommodate. There are units and I suggested to—

Mr. Martel: In Inuvik?

Hon. Mr. Bennett: No. Maybe that is where the member for Sudbury East should look for one. I suggested very clearly a week ago in this House that if members followed the Toronto Star, which for a long time only showed us the disaster-situation units that were rising far beyond realistic limits, they would see in the last week or 10 days it has been showing units in an average price range of \$39,000 to \$40,000. While all the units Ontario Housing Corporation or Ontario Land Corporation might own are not in Scarborough, we do have a number of units. I gave the leader of the third party and his research people a list of units that we do have available, and available for sale at a reasonable price.

Mr. Ruprecht: Mr. Speaker, as you know, Scarborough is certainly part of Metropolitan Toronto, but last week the minister said he would tell us the figures of how many units were fully approved under the Ontario construction loan program. Is he going to continue to sit on his hands like the Minister of Health (Mr. Timbrell) or will he give us an assurance that he is going to come up with the figures that he has promised this House? He indicated he would provide these figures and we are still waiting for

him to keep his promise, just as his government will keep its promise. Could the minister please stand up now and give us the figures of how many units have been fully approved?

Hon. Mr. Bennett: First of all, Mr. Speaker, it is not a legitimate supplementary question, but if the member for Parkdale would check with the Clerk, and maybe with his research people, he would find that we answered Notice Paper questions 128 and 129 of the member for Etobicoke (Mr. Philip) on Friday.

Mr. Cassidy: Mr. Speaker, the minister keeps on saying if people cannot afford to live in central Toronto they should go to Scarborough; now he is saying if they cannot afford to live in Scarborough they should go somewhere else. Does the minister really maintain that a house with a one-car garage, with three bedrooms, no fireplace, no recreation room and no appliances is a dream home? The price of that ordinary three-bedroom bungalow has risen in the last year by 48 per cent in Bramalea to \$105,000, by 44 per cent in Etobicoke to \$130,000, by 51 per cent in Richmond Hill—that is on the outskirts—to \$115,000, by 55 per cent to \$137,000 in Thornhill.

What does the minister suggest families should do if they simply want to have the ordinary kind of bungalow their parents were able to afford on the salary of a skilled worker at General Motors or at the American Motors plant in Brampton?

Hon. Mr. Bennett: I suppose if I wanted to be selective I could show the member homes in any community in the price range of \$100,000, \$120,000, \$130,000 and even much higher. But let me suggest very positively that in most of the area municipalities around Toronto there is a wide range of unit prices in this community.

The member is trying to take the fact that he is reading about some bungalow in Scarborough that now has gone up X dollars. I suggest to the third party leader that he could well read some of the newspapers published here in Toronto and in some communities surrounding Toronto and he would find there is a wide difference in the prices of available units.

He should go to Scarborough. I am sure he would find some that are below the \$70,000 figure. Some weeks ago I gave to this House—and I know the members of the other parties and their research offices have it—the multiple listing service figures which show clearly what the sales program has been over the last month; they even break it down to the last two weeks. If

I recall my figures correctly, 70 per cent of the price ranges at which they are selling units in this community are below \$80,000.

Mr. Ruston: Mr. Speaker, I have a question for the Attorney General.

Mr. Cassidy: On a point of order, Mr. Speaker: I have a second question by the rules of the House, unless there has been some change.

Mr. Speaker: Go ahead, Mr. Cassidy.

Mr. Cassidy: I have a new question for the—

Mr. Mancini: Be on the ball. You were asleep at the switch.

Mr. Cassidy: I think Mr. Ruston is running for leader.

Interjections.

Mr. Speaker: Order.

PARAMEDIC SERVICES

Mr. Cassidy: Mr. Speaker, I have a new question for the Minister of Health. Can the minister report what steps the ministry intends to take to implement the promise made back in January that there would be action to implement a paramedic service in Ontario; that there would be, among other things, the appointment of a co-ordinator for a group that would study implementation and then move to implementation, particularly in view of the fact that in the Ottawa-Carleton area we have been waiting for months now in total frustration to get the paramedic service off the ground?

Hon. Mr. Timbrell: Mr. Speaker, in my statement to the Bolton Volunteer Ambulance Service on January 17, I outlined the fact that we would be reorganizing the emergency ambulance services of the ministry and that, once that was done, we would proceed towards the establishment of a paramedic program.

I hope we will be in a position to announce the name of the individual who will be the new emergency services co-ordinator within the next week or 10 days. The interviews have been completed and a decision taken as to the individual to whom the position will be offered. I believe he has accepted. Once details have been—

Mr. Martel: Who? Stuart Smith?

Hon. Mr. Timbrell: Pardon? Who did you say?

Mr. Martel: Stuart.

Hon. Mr. Timbrell: Good heavens, no.

Mr. Speaker: Just answer the question.

Hon. Mr. Timbrell: We will announce that. In addition, last week a group went to take a firsthand look at some of the emergency systems in a number of western cities in Canada and the United States, to examine the various types of so-called paramedic services.

The honourable member will realize paramedic is a term that is widely used but, wherever it is used, it tends to mean different things to different people, because the extent of the medical acts that so-called paramedics are allowed to carry out in various jurisdictions varies widely. In many jurisdictions, people who are called paramedics cannot legally do as many things as our own emergency medical care attendants can already do in Ontario.

2:40 p.m.

The purpose of that trip, which involved a representative of the Emergency Nurses' Association of Ontario, Dr. Rowat, the head of emergency services at Toronto General Hospital, and members of my ministry staff, was to examine those models and to begin work on specific plans for developing the paramedic curriculum and the implementation of a plan in this province. This is going to take some time; it is not going to happen overnight.

Mr. Cassidy: Since the ministry has taken five months without even announcing the appointment of a co-ordinator to put this program into force, since the minister refers to taking time—it presumably will be another eight months or a year before community college courses for paramedic training can actually begin—and since we are therefore looking at a lengthy delay in a needed public service that has a proven capacity to save lives, is the minister at least prepared to move forward with the people in Ottawa-Carleton who have a fully developed plan and are ready to roll provided there is funding and with similar groups elsewhere in the province where there are local groups prepared, able and ready to go now, prepared to move ahead of the rather snail's pace that has been demonstrated by the ministry?

Hon. Mr. Timbrell: That may be the opinion of the honourable member, but I submit that very soon after my speech in Bolton in the middle of January we did advertise and we interviewed an extensive number of professional people over a period of time to narrow it down to the individual to whom the position has been offered.

I had hoped to be part of the group that went west last week so I would have a personal

impression of the various models. We looked at the models in Vancouver, Seattle, Sacramento, San Francisco and Los Angeles, which covers a variety of types of so-called paramedic services. I might add that was over the space of four days. It was not a typical junket, I emphasize.

As I understand it, courses for community colleges are basically locked in by about January or February of each year; so it is highly unlikely that anything will be done in the community college courses until the 1982 academic year. In the meantime, there are a number—I cannot recall the exact number—of prototype or experimental advance life-support systems in the province. They will continue as they are while work continues to develop a proper curriculum.

We must also deal with the College of Physicians and Surgeons of Ontario and likely with the College of Nurses of Ontario in the process of developing this curriculum and probably legislation to back up the additional responsibilities which the personnel will have in the system. I wish I could say it could be done overnight. It cannot. If we want to do it right, we have to take the time to make sure we do it right.

Ms. Copps: Supplementary, Mr. Speaker: When is the minister going to respond to families like my own who have members suffering permanent brain damage and/or death because this government has stood still too long on the issue of paramedic services?

Hon. Mr. Timbrell: Mr. Speaker, I point out to the honourable member that, unlike most other Canadian provinces, we have had standards for our ambulance personnel going back to 1975. Most provinces not only do not have provincial standards but also—

Ms. Copps: What about in Seattle?

Hon. Mr. Timbrell: The great strength in the Seattle system—and this was pointed out in this House before the member arrived here—is that a very high percentage of the adult population of that city has taken training in and has maintained skills in cardiopulmonary resuscitation.

Ms. Copps: Why isn't this being done in Ontario?

Hon. Mr. Timbrell: If the member will look around, she will find that a great deal is being done in Ontario with respect to CPR.

Ms. Copps: What do you tell the families of those victims—

Hon. Mr. Timbrell: The member would probably learn a lot more if she would listen for an answer after she asks a question.

Ms. Copps: I have been waiting five weeks for an answer and have seen nothing yet.

Hon. Mr. Timbrell: All the medical advice I have had to date indicates that in cases such as the one to which the member is directly related, it is the first four minutes that are most critical. That has to do with whether members of the family have taken the initiative to get certified in cardio-pulmonary resuscitation and whether there are people around who can assist while the ambulance—whatever the level of qualifications of the attendants in the system—is on its way there. The first four minutes are by far the most critical in cases of sudden heart attack, stroke and the like.

Ms. Copps: On a point of privilege, Mr. Speaker: The minister referred to my personal situation, with which he is familiar. As a matter of fact, in that situation qualified medical help was available on the scene immediately. The reason the member of my family has permanent brain damage is that there is at present no facility in this province to train paramedics to do the job they are trained to do in other countries, which saves lives and allows healthy people to carry on.

Hon. Mr. Timbrell: The member apparently feels that way; I do not know whether the facts support it. That is apparently the way the member feels, and I am not about to get into that kind of debate with her. It is her conclusion.

Mr. Cassidy: Is the minister prepared to endorse the pilot program for paramedics that now is operating in Oshawa? And is the ministry now prepared to fund the proposals made in Ottawa that would put three ambulances with paramedics on to the streets of Ottawa prepared to respond in many cases within that four-minute period he spoke of, and to start saving lives now rather than delaying it for the year and a half or two years suggested by the minister?

Hon. Mr. Timbrell: I argue that the ambulance system we have developed in this province, particularly since 1975 with the introduction of the emergency medical care attendants' qualifications, the courses to back that up in our community college system, the standardized ambulance vehicles and equipment and training across the province, have already gone a very long way towards saving lives and reducing morbidity and mortality in the province.

It may well be that as we move forward in the development of the paramedic program it will be appropriate to look at some of these other proposals over and above the ones that are already being supported.

I emphasize to the member again that one of the fundamental things that has to be decided with respect to the advanced life-support systems for the whole of the province is what procedures these people will legally be entitled to carry out. We must work that out with the College of Physicians and Surgeons of Ontario and probably with the College of Nurses of Ontario in order that they will be on a proper legal footing to deal with the public.

COURT DELAYS

Mr. Ruston: Mr. Speaker, I have a question for the Attorney General. Is the minister aware of the long periods that people charged in provincial courts in Windsor have to wait for their cases to be heard? Does he not feel that justice delayed is justice denied?

Hon. Mr. McMurtry: Mr. Speaker, I have heard nothing officially from anybody practising in the Windsor area, either from the crown's office or from defence counsel, complaining about undue delays. I did see a newspaper report to that effect.

As the honourable member knows, one of the provincial court's criminal judges is not sitting at the moment, and I have no doubt that has added to the problem. If there were any critical situation requiring my attention, I am sure the chief judge of the provincial court would have alerted me.

Mr. Ruston: Does the minister not feel that to have court cases delayed up to 18 months after an incident takes place makes it very difficult to find witnesses and for people to remember the circumstances? Does it not cost more for legal fees and legal aid for these long delays? I understand that in some provinces the maximum waiting period is about three months in most cases.

Hon. Mr. McMurtry: Obviously an 18-month delay is unsatisfactory. There could be any number of reasons for the delay. If the member would like to draw the specific case to my attention, I would be happy to inquire into it to ascertain why there is such a delay and get back to him.

2:50 p.m.

Mr. Stokes: Supplementary, Mr. Speaker: While the Attorney General is looking at the situation in Windsor, will he look into the

situation where they are actually having to hold court in hotel rooms in the city of Thunder Bay because of the lack of courtroom space in that city?

Hon. Mr. McMurtry: Yes, Mr. Speaker.

CHILDREN'S MENTAL HEALTH SERVICES

Mr. R. F. Johnston: Mr. Speaker, I have a question of the Minister of Community and Social Services.

Is the province of Ontario, in the view of the minister, capable of providing adequate care to emotionally disturbed juveniles in this province? Does he have a double standard for northern children as compared with southern children and for French-speaking children versus English-speaking children? If not, how does he explain that there are no group homes for French-speaking children north of Sudbury in this province? How does he rationalize the fact that as many as 30 severely emotionally disturbed children have been cared for in the Maison Rouyn-Noranda in Quebec and are not taken care of in Ontario?

Hon. Mr. Drea: Mr. Speaker, I hope you will note there are five or six questions in there.

First of all, there is one standard. Second, there is no difference between the standard in northern Ontario, eastern Ontario or southern Ontario. I have recognized the lack of services in the French language in the children's mental health field. Last Thursday in Ottawa I announced that there would be a children's mental health group home operated by a Franco-Ontarian social agency in conjunction with the community. That is just the beginning.

Mr. McClellan: A beginning. Your government promised this three years ago.

Mr. Speaker: Order.

Hon. Mr. Drea: My dear friend, I do not know what promises were given three years ago, but the particular residence we are talking about for the Franco-Ontarians will be in place by January 1982.

I must admit that when coming into the ministry—and it was my understanding the figure was 24 who were being treated in Quebec—I found that very inequitable. As I said, I have already begun to ensure that the French-language services for young people, in conjunction with the Franco-Ontarian community and its resources, wherever they are, will be in place.

Mr. R. F. Johnston: The promise, as the member for Bellwoods (Mr. McClellan) said, had been made three years ago. I do not see how the minister can get up and excuse the fact that we have to have children treated in Quebec who are citizens of Ontario. Will he not agree that the problem is not just that of French-speaking children in northern Ontario? Does he agree with the accusation by a member of the children's aid society in Thunder Bay who said of the 10 of 13 placements in southern Ontario of kids from northwestern Ontario, that they would be much better served if there were group homes available in Thunder Bay to handle those children?

Hon. Mr. Drea: I do not know what remarks were made by whom in northwestern Ontario, but I suggest to the member that in terms of children's mental health programs my predecessor worked very hard and very long to expand those into northern Ontario.

Mr. McClellan: Well, he made a lot of promises.

Mr. Speaker: Order.

Hon. Mr. Drea: I say to the member for Bellwoods, all he ever does in here is whine or complain. That is all I have ever heard from him since 1975.

Mr. Speaker: Order. The minister will address himself to the main question, please.

Hon. Mr. Drea: Mr. Speaker, I am attempting to. The member for Bellwoods says "promises." I put the thing on line 60 days or so after I was appointed minister. Let him go promise something else.

The question of mental health services for juveniles in this province is one the ministry is working on. There shortly will be expansion and provision of additional services.

Mr. Martel: There is more smoke than change in that ministry.

Hon. Mr. Drea: Mr. Speaker, the suggestion is made there is more smoke or something than there is change. There has been a lot of change, and the services are being provided—the services will be expanded. I emphasize there is no discrepancy in the priorities between any region of the province. We are going into the areas that have demonstrated the greatest need; we are meeting those needs on a priority basis, and we will expand our services as the needs require.

Mr. Boudria: Supplementary, Mr. Speaker: I wonder if the minister has yet received a letter I

sent him last week on francophone services in his ministry. Is the minister aware of the problem and does he have an answer for it?

Hon. Mr. Drea: Mr. Speaker, maybe I should deal with this; it is not quite a supplementary on this topic, but it is general enough and this is a good opportunity.

There was a ministry publication called *For Your Benefit* which was advertised as being available in the two official languages. Unfortunately, because of a scheduling problem and some difficulties in the translation—I know the member will understand how people get into some difficulties with the translation service—the publication is somewhat delayed. It will be available in a relatively short time. When the original schedule was put out, it was intended that the pamphlet would be available simultaneously in the two official languages, but it was one of those things that happens.

In addition, we already have two information pieces similar to those: *Who is Eligible for Social Assistance*, and *How to Appeal*. In a more general way, these touch upon the subjects in *For Your Benefit*, and they are each available in both official languages.

UREA-FORMALDEHYDE FOAM INSULATION

Mr. Robinson: Mr. Speaker, I have a question for the Minister of Health.

The federal government has finally announced its response to the urea-formaldehyde foam insulation problem, and that response is limited to the testing of 2,000 homes in all of Canada. That will not do much to alleviate the concerns of the many thousands of home owners in Ontario alone who have installed the product.

Can the Minister of Health please report to the House on how his ministry will react to the recent announcements of the federal government regarding urea-formaldehyde foam insulation?

Hon. Mr. Timbrell: Mr. Speaker, I know the honourable member has been concerned about this problem since it first arose.

Mr. Philip: Isn't it nice that somebody over there cares about the problem?

Mr. Speaker: Order.

Hon. Mr. Timbrell: Further to what I had to say in this House about 10 days ago, we did get all of the details, finally, of the proposed response of the federal government.

There were basically two things we were seeking in that response. The first was that there

should be a testing program that would be available to all those who had the product installed and wanted their homes tested to be sure there is not a health hazard.

Second, we wanted the federal government to establish a compensation program to assist those whose homes ultimately would be found to be in need of some sort of retrofit.

This latter point was recommended by their expert medical advisory committee. The compensation would apply whether it was a simple matter of sealing baseboards, electrical fixtures, door jambs and whatever else needed sealing to keep the fumes in the walls, or more drastic and more expensive work.

The proposed response of the federal government is, in our view, not sufficient. They are talking about doing 2,000 homes in the whole of the country, plus 400 additional homes that have not got urea-formaldehyde foam insulation as a control group.

My deputy minister, at my direction, was in touch with the Deputy Minister of National Health and Welfare and then with the Deputy Minister of Consumer and Corporate Affairs in Ottawa, because they have turned it all over to that department from the Department of National Health and Welfare.

3 p.m.

We have indicated to them our willingness and our desire to tag on to their testing program so the same laboratories would be used and the same standards applied in order that any home owner in this province who wanted to have his home tested could do so through this program. They have indicated to us their appreciation that we are prepared to do that, and discussions are continuing. Once the details of that have been finalized, I will of course announce them.

In the meantime, the health units are continuing to carry out what testing they can with Draeger tubes and are keeping further lists for further tests in the future.

The second point has to do with the question of compensation. There, I am very disappointed. I think we should all be disappointed in the response of the federal government. It has indicated that, at this point at least, it is not prepared to establish a program of low-interest loans or grants or whatever to assist in those cases where a retrofit eventually would be required. In that regard, we will be supporting the efforts of consumers in the province and will be making further representations on their behalf to the federal government. We hope we will get it to reverse that position.

With regard to the testing, we will be tagging on to their program—at least, that is the proposal we have made to them—so that the standards, equipment and methods will be uniform throughout the province and anybody who wants it done can have it done.

Mr. Swart: Mr. Speaker, I must say it is nice to have the minister answer one week late after he promised to give us this information early last week.

Recognizing, and even he must recognize this, the tremendous concern among the people and the tremendous number of instances of real health problems that people in this province are having, recognizing the inadequacy of the federal government's action and his responsibility under the Public Health Act as Minister of Health, and recognizing that this matter is going to be discussed this afternoon by the standing committee on social development, will he assure this House that he will in no way block an investigation if the social development committee determines it should do an investigation and hold public hearings this summer, as I am very anxious it should?

Hon. Mr. Timbrell: Mr. Speaker, the responsibilities of the provincial government, any provincial government, relate to matters of public health and that then leads to testing.

Our position from the beginning to the federal government was: "Look, we do not have the people or the machines available to do it ourselves. We are prepared to back you up." Its program is apparently going to make use of private laboratories. It is going to contract with them. The contracts, of course, would specify the methods and the standards to be employed. We said, "Fine."

Following on my earliest offer to them, we said, "We are prepared to tag on to your program to assure the universal availability of this test to those who have had the product installed." That is the extent of the provincial responsibility. If what the member is proposing is something that would get into federal responsibilities in either the Department of National Health and Welfare or the Department of Consumer and Corporate Affairs, it may well be—

Mr. Cassidy: Pass the buck and keep the promise.

Hon. Mr. Timbrell: No, it is not a question of passing the buck. We have certain responsibilities, and we are going to make sure we carry them out. But if the member is proposing

something that in effect looks at the responsibilities of federal and national organizations, I submit that is not work for a committee of this Legislature.

Mr. Nixon: Supplementary, Mr. Speaker: If the minister is offering to all the residents of Ontario who have this urea-formaldehyde foam insulation that they can have their residences tested as an add-on to the federal announcement of the cross-country selective tests, does he not agree that should have been made as a statement to this House rather than just as an answer to a question, since it is going to be of such importance to all the people concerned?

How is he going to make a proper communication to those people who are intensely interested in this? They certainly want more help. At least it is an important step that they are going to have their residences properly and scientifically tested.

Hon. Mr. Timbrell: Mr. Speaker, I acknowledged in my answer to the question from the member for Scarborough-Ellesmere (Mr. Robinson) that there is more to be worked out. I am answering his question.

Mr. Nixon: This is the first positive thing you have said.

Hon. Mr. Timbrell: With respect, I do not think it is. I think we have taken a very strong leadership position in getting a national program.

Mr. Nixon: You are the author of it.

Hon. Mr. Timbrell: Listen, let me tell the member that in my view, if Ontario and one or two other provinces had not taken a strong position I do not think the federal government would have done anything more than it did on April 3. The fact that we kept pressure on them resulted in a national program, as deficient as it may be.

In answer to a question from a concerned member, yes, there is certainly more to be worked out. But the principle, I think, is important, in answer to his question. Once we have the details worked out with the Department of Consumer and Corporate Affairs and whoever else the federal government wants us to deal with, we will be announcing them.

VISITS BY MINISTERS

Mr. Kerrio: On a point of privilege, Mr. Speaker: This week three ministers are coming to Niagara Falls and area, and Fonthill—the Minister of Community and Social Services (Mr. Drea), the Minister of Health (Mr. Timbrell)

and the Minister of Industry and Tourism (Mr. Grossman). They have all decided to come about three o'clock in the afternoon. My personal privilege is, I think, in a sense being abrogated simply because my responsibility is here, and yet I should attend those three functions that are very important to the people of Niagara. In future, I wonder if they would do it in such a way that the local member could attend.

Mr. Speaker: That is not a point of personal privilege.

HOUSING LOAN PROGRAM

Mr. Ruprecht: On a point of privilege, Mr. Speaker: The Minister of Housing (Mr. Bennett) got up about 10 minutes ago and assured this House that the answer to my question—about how many units were fully approved under the Ontario rental construction loan program in the Metro area—had been provided to this House on Friday. I have been checking and I find this is a classic case of this government misleading this House and the people of Ontario.

Interjections.

Mr. Speaker: Order.

Mr. Ruprecht: That is correct. Look at this, the minister is telling us the answer is in this sheet of paper.

Interjections.

Mr. Ruprecht: No, it really is not.

Mr. Speaker: Order, order.

Mr. Ruprecht: No, Mr. Speaker—

Mr. Speaker: That is not a point of personal privilege. Will you please resume your seat? Order, order.

Mr. Ruprecht: On a point of privilege, Mr. Speaker—

Mr. Speaker: Is it the same point?

Mr. Ruprecht: It is the same point. This is totally misleading—

Mr. Speaker: You did not have a point of privilege.

An hon. member: Is he not entitled to be heard?

Mr. Speaker: He is entitled to establish a point of personal privilege, and I am not going to enter into a debate.

ORDERS OF THE DAY INTEREST RATES

Mr. Smith: Mr. Speaker, I rise at this time to

move a motion that we realize is not going to pass because of the majority held by the government, but which we believe is a motion that should by rights pass on its merits.

Mr. Smith moved motion 18 under standing order 63(a): "That the Legislative Assembly, noting the failure of the government's budget to provide immediate and effective relief from the high interest rates now burdening mortgaged home owners, farmers and small businessmen in Ontario, declares it has no confidence in this government."

Mr. Speaker: Do you have a seconder?

Mr. Smith: It will be seconded by the member for Brant-Oxford-Norfolk (Mr. Nixon), who is interested to learn that.

3:10 p.m.

Mr. Speaker, in speaking to this motion, I should draw your attention, first of all, to the fact that the wording of this motion is absolutely identical to the wording of a similar motion which we presented last time the interest rates moved so high; a motion which at that time was voted against by the New Democratic Party in exchange for a promise of a study. That study was then duly delivered—some months late, I might add—and was a study which contained nothing of substance and a study which served only to keep the NDP alive for a few extra months and, frankly, resulted in the majority victory of this government which now afflicts the people of Ontario.

Mr. Nixon: The collapse of the NDP started with that vote.

Mr. Smith: The NDP hoped at that time that by voting with the government they would avoid the inevitable. Had they gone to the people at that time, the NDP would have still done badly, but there would have been a Liberal government instead of a Conservative government.

Mr. Eaton: Quit dreaming.

Mr. Speaker: Order, order.

Mr. Smith: All that, I am afraid, is past history.

Mr. Brandt: That's right.

Mr. Smith: These are the first words I have heard from the member for Sarnia. He is very excited, I know, to be part of a majority government. I know it gives him just so much to do, so many influential decisions to make.

However, the fact is that with the high interest rate policy being pursued in the United States of America, a policy which has overflowed into the

Dominion of Canada, there are a number of very serious things happening in Ontario today and they are matters which are not just a question of bleeding hearts or a question of certain people in difficulty and having a tough time. I wish this Conservative government, a government which understands the role of competition, of free enterprise, of small business, of the farming community, a government which professes by ideology to understand the nature of the middle class in our society, would understand the impact these high interest rates are having over and above individual cases of hardship.

In particular, I draw the attention of the government House leader (Mr. Wells) and the Deputy Premier (Mr. Welch)—who are the ranking persons still here for this debate in the absence of the Treasurer (Mr. F. S. Miller) and the Premier (Mr. Davis)—and I ask them to consider the impact of high interest rates on the small business community of Ontario, and not to talk in terms of the hardship of any given small businessman and not to talk in terms of the pain and the suffering of the families of those whose businesses are going under. That is not what we are talking about.

We are talking about the fact that as interest rates go higher and higher, the large businesses that can withstand that situation, the businesses that are able either to pass on the extra cost in the cost of the product or to raise money by other means such as floating shares on the market, those businesses can indeed withstand a time of high interest no matter how long that goes on; but the ordinary small businesses are simply unable to withstand the high interest.

What happens to them is that the small businesses are forced to sell out to the large businesses or else simply go under, to close their doors or to go bankrupt. There has been a concentration of power every time we have had high interest rates, a concentration of power whereby the large companies are able, either directly or indirectly, to take over the market share that was previously held by a number of small companies. I would say, because I know, that the members opposite—the ministers who are here to do me the courtesy of listening to this argument—share with me the view that Ontario is best served when a multiplicity of privately owned companies are able to compete in the marketplace.

I ask the government to consider that if we do not help small business we are, ipso facto, at the very same time guaranteeing a further concen-

tration of power in the hands of the large businesses. We are obliged to do something to help the small business community, because when we get to rates of 18, 20, 23, and 24 per cent which people have to pay to finance their inventories, only the large companies can sustain that. Many of them pay tax at a 50 per cent rate, and so the effective rate of interest for them is half of whatever the rate happens to be. The small businesses, however, generally have to pay the full shot and they usually are not in a position to withstand that for very long.

So unless the government wants to see the backbone of our small towns and small villages disappear, namely, the small farms and the small businesses that keep these small towns going, unless the government wants to see a further erosion of small-town Ontario, the Ontario which over the years has been the strength, the guiding force in many ways—and let us be honest, politically it is an area the government knows very well; it has tried to be in tune with the feelings and the values of those areas and it understands them—does the government understand as well, even as Conservatives, that as the small businesses and small farms of Ontario are eroded and their market share taken over by the large companies and the large agribusinesses, it is not doing a service even to the very people with whom it professes to be philosophically in tune?

We have an obligation, therefore, not just to rant and rave about the federal policy of high interest rates, because the government knows as well as I that, whether there is a little room for movement federally or not, it is not an awful lot of room, and that by and large it is Ronald Reagan who dictates the interest rates which most of us in Canada end up paying. Instead of just saying how it is not the Ontario government's fault and instead of washing its hands of high interest rates, does the government not recognize that the great province of Ontario must come to the assistance of small businesses and small farms to maintain the very value system we feel is important to our way of life here?

I ask the government to consider also the matter of home owners; those who would like to be home owners and those who are now home owners. I ask it to consider particularly the fact that working people in Ontario, average families, simply cannot now afford, even if they save for, let us say six, seven or 10 years of work, to purchase a home in most parts of urban Ontario. I ask the government to recognize what that really means, what that bodes for the future.

Will the government just consider what will happen as inflation progresses—and most people say it will progress. The government knows what the alternatives to continuing inflation are: either the money supply will be cut down so tightly that we will have a depression—and I suspect most of us would not want that; or else ultimately inflation will be allowed to continue, supposedly under a little more control—although frankly I doubt that will happen; continued inflation seems the likely scenario. The other alternative is heavy government control, currency controls, interest controls, profit controls and price controls; and I suspect that as Conservatives they are not wild about that idea. But those are the only alternatives we have.

So if we assume that we are not going to have a depression and that government control is not going to be the answer, then the government must surely accept that we are going to have continuing inflation for a few years yet. If we have continuing inflation the government must surely recognize that the only protection most people can possibly hope for is to have their own homes. They cannot buy gold; they cannot get into the speculative commodity market; they are not likely to buy paintings or antiques. Their own homes are likely to be the one hedge against inflation they might have. Poverty in old age is almost always a condition of people who did not own a home. That is not to say that those who do own a home are necessarily rich, but generally they are not in the dire straits of poverty as faced by those who have never owned a home.

3:20 p.m.

In case there is any misinterpretation of comments I made the other day, I have never suggested that the individual home should come under heavier taxation than it now receives.

Hon. Mr. McMurtry: The member gave us that impression.

Mr. Smith: I wish to correct it if that is the case. If that impression was created, I simply take this opportunity to correct it.

Surely the ministers opposite must recognize that with every passing year of inflation those who have assets are protected to some extent against inflation; imperfectly, but to some extent. On the other hand, those who do not have assets are being robbed by inflation with every passing day. Inflation is a means by which money is transferred from the pockets of those without assets to the pockets of those with assets. It is a transfer of wealth.

Therefore, we have to consider that the main source of protection for most citizens, the one they can aspire to with some sense of reasonableness, is their own home. Perhaps it will be a modest home—we are not speaking of dream homes as the Minister of Housing (Mr. Bennett) says. We as legislators are obligated not just to say, “High interest rates are not our fault so tough luck.” We are obligated to say that high interest rates are now a barrier to working people, to average families, preventing them from home ownership, which is their main stake in an economy.

There is a second stake some people have and that is in their pension fund. Sometimes people have large pension funds that can invest themselves in assets and grow with inflation. However, the government knows that half the citizens of Ontario do not have that protection. The government knows that.

Even though we are all looking forward to sitting together on a select committee on pensions, and even with the best intentions the government may have—we do not know about them, but they may have them—to reform the system, home ownership probably remains the one real hope for working people, for average families, in Ontario.

It is no longer a hope in most of Europe, as we know. They went the other route. They said rental accommodation was good enough. They have large government involvement in other aspects of the economy to try to control inflation and so on.

Mr. Jones: I hope you will speak to the member for Renfrew North. He doesn’t—

Mr. Smith: The member for Mississauga North is concerned about the wishes of the member for Renfrew North (Mr. Conway). I am sure he will be very thankful for the fact that the member is solicitous for his wishes and his welfare. I would think the member would be better off being solicitous for the welfare of the average citizens, the average working people, in his riding, some of the people who are now in no position to afford to purchase a home.

I heard all the Mississauga members speak when interest rates went up the last time. They gave some assurance that the government was going to watch it carefully and assist people if necessary. I remember when there was a sort of uprising in Mississauga North among a number of people, and some of the surveys there. That is politics.

I wish to appeal to the better instincts of some

of the more intelligent people here. Three of the more intelligent ministers are in the House and I ask them to consider that if—

Mr. Nixon: Oh, I don't know.

Mr. Smith: I think they are. Referring to them as three of the more intelligent members is still very faint praise indeed. It is very faint praise, but it is better than nothing I presume.

Mr. T. P. Reid: Higher intelligence than the ones in the second row behind them, but not by much.

Mr. Smith: The government has an obligation to use the power it has to guarantee that we do not arrive at a time in Ontario when average families, after seven or eight years of work, cannot aspire to home ownership. I want the government to understand that under the present circumstances, with the present interest rates, it has the obligation and the wherewithal to assist people in the field of home ownership, to assist small businesses and the farm sector.

It may say it does not have the money, but if the government wants to be honest it would have to admit it did not need to give away \$270 million in sales tax rebates on furniture, appliances and vans. If one picks up a newspaper one sees even the furniture dealers are saying it is a pain in the neck and not really helping them. Appliance dealers say they have not sold any more appliances. The van dealers are concerned because they thought they were going to sell a lot. They went out and bought a lot of inventory. Now they cannot sell it. They are going to be mad at those guys.

The government has money to use. I realize it prefers to use it for election-time giveaways, but I appeal to whatever noble instincts may still be there among a bunch of successful, if rather cynical, politicians. I say to them they have money available. The paper companies did not need the hundreds of millions of dollars given to them. They would have reformed and refurbished their companies anyway. The government knows there is money available. It was found for every sort of government advertising, for every sort of gimmick. Even the Treasurer admitted there is \$100 million he could look at for agriculture.

I ask them to consider the seriousness of the threat to Ontario's middle class. I ask them to consider the seriousness of the threat to the small business base which has always been the vitality and the viability of the smaller towns of this province. I ask them to consider the threat made by high interest. It is not a matter of

considering sob stories or the unfortunate plight of Mr. or Mrs. X. I know they are not prone to accept sob stories. They are sad, but unfortunately they do not usually take an interest in them.

I ask them to take an interest in the very things they profess to believe in—the small business sector, the independent family farm, the ability of people to have a stake in their society and not to feel alienated or to feel as though they are somehow of a different class from the rest of society.

I ask the government to recognize high interest rates are today a tremendous threat to the fabric of Ontario society. Continuing inflation means the rates will continue high. Even if they temporarily go down a little, they will come back up again with renewed vigour. I ask the government, therefore, to move.

Unfortunately, they have not moved until now. Unfortunately, they cynically went around Ontario during election time talking about how, "Davis can do it," and, "Help keep the promise." Yet at this hour of need, the average citizen is facing a greater burden than ever imaginable where rates of interest are being charged that this government itself used to regard as usury, as criminal.

We talked a little while ago of the discounting practice of people who were expecting income tax rebates. People would go to a lending institution and on a discount they would get money ahead of the time the cheque arrived. This government then said an interest rate of about 20 per cent was criminal and brought in legislation to prevent such interest rates being charged. I tell them people are now having to pay this, home owners are having to pay it, those who want to be home owners will have to pay it, small business people are having to pay it. It is having a distorting effect on our economy.

The government cannot stop high interest rates. I cannot stop them. Frankly, even the federal government has a pretty limited area in which it can move. They can go down a little but not a hell of a lot because the Americans own this economy. Under those circumstances, we do not have the freedom to pursue an independent monetary policy to any extent, unless we want to bring in currency controls. I doubt the government would want to do that.

Instead of saying it is not the government's fault, it should have acted. I say with the deepest sincerity I am capable of showing in this House—and I really mean this—the govern-

ment does not deserve to be office if it cannot come to the aid of the very elements of Ontario society it professes to believe in.

We have no confidence in this government. The funny thing is, by the support the New Democratic Party gave to this very motion, worded as it was a year ago, instead of defeating the government it unfortunately ended up having little effect last year. Furthermore, indirectly I suppose, the NDP by keeping the government in power long enough arranged for this majority government to be elected. However, I presume the NDP has seen the light and will now support a motion of this kind, whereas last year its members voted against it. I presume they will be prepared to admit that they voted against it last time simply in craven cowardice and, now it is safe, they will come out and vote with us on this motion.

3:30 p.m.

I say this to you, Mr. Speaker, we have no confidence in the government. The people of Ontario have learned the mistake they made, and that was the reality of March 19. It was the biggest hoax ever perpetrated on the people of this province. That is the reality they know; that is the reality they will remember three and four years from now. We have no confidence in this government and the sooner it goes the better for one and all.

Mr. Cassidy: Mr. Speaker, I want to join this debate. As the member for Hamilton West predicted, yes, we are going to support this motion, because we do not have any confidence in the government in terms of its ability to handle the problems of interest rates, and the effect that interest rate increases have been having on home owners, on small businessmen and farmers across the province. In fact, week after week we have been raising the question of what is happening with home owners. I have to say that the sudden interest of the Liberal opposition is rather unexpected in view of the fact that week after week they have been ignoring the question. In fact, the last time prior to today that the Leader of the Opposition even raised a question about interest rates was on May 8.

Mr. Smith: I made the same motion a year ago, same words, comma for comma, period for period, and you voted against it.

Mr. Cassidy: Mr. Speaker, the leader of the Liberal Party is gnashing his teeth because a year ago at this time he was hoping to ride to power on the coat tails of Pierre Trudeau. I

recall when the election was called the first place the Leader of the Opposition went was to call on Trudeau and the Liberal caucus up in Ottawa to ask for their help in the election campaign. There was nothing then about a dispute over the Liberal Party's interest rate policies. There was nothing then of a suggestion that the Liberal Party's policies in Canada were wrong in terms of interest rates in Ontario. There was no admonitory finger waved at Pierre Trudeau or Mr. MacEachen and the rest of them, saying, "Look, if you fellows do not do something about interest rates, we do not want your help in the election campaign." Oh, no, it was, "Yes sir, no sir." It was, "John Munro, come and help. We need your help to elect the member for Hamilton Centre (Ms. Copps). We want her, please help us." There was no talk about interest rates at that time, but "We want Jim Fleming's help. We want Bob Kaplan's help."

But now the election is over the tune has changed. The Leader of the Opposition goes slamming away at the Conservatives, as he has every right to do, without realizing the fault has to be shared equally between the Tories in Ontario and the Liberals in Canada. They are equally to blame for the problems we are having in the small business sector, in the housing sector and in the farming sector today.

Interjections.

The Deputy Speaker: Order, please.

Mr. Cassidy: If the Liberals really meant what they said then, the Leader of the Opposition would have gotten on a plane a month ago and he would have taken a short visit up to Ottawa. He would have gone publicly to Pierre Trudeau and he would have said, "As far as I am concerned, the Liberal Party of Ontario cannot and will not support the members of this party who used to be our colleagues in Ottawa until there is a sensible interest rate policy in Canada." But did that come forward? There was not a word. In fact, the Liberals in Ontario have studiously stayed away from interest rate questions as much as possible over the course of the session, because they were embarrassed by the actions of their federal colleagues until this time.

What is happening right now is this. It is transparent. About two weeks ago the member for Hamilton West and the boys, maybe even the boys and girls, got together and said: "My leadership is on the line. I have this convention coming up. I have to do something that looks

good. What is going to be the issue?" I do not know what came up. Was it consumer protection? They have never done anything about that. Was it co-op housing? That is not their issue. Was it resources? The Liberal Party is as much in the pocket of big companies like Incos as the Conservatives. There are not very many areas where the Liberals are any different from the Conservatives at all.

The honourable member said: "We had better do something about interest rates. Let us put a no-confidence motion. Let us have this debate and let us have it just before the convention so I can look good."

He forgot that when New Democrats were trying to get a continuation of the no-confidence motion we had put in this Legislature a month ago, his colleague the member for Brant-Oxford-Norfolk (Mr. Nixon), acting on behalf of the Liberals, was so obstructive it was impossible to have the debate continue. We could not see how it was possible to have the debate in time for the convention; so we are having it today.

What has happened over the weekend is that the honourable member has been presenting himself as the new champion of the left.

Ms. Copps: What happened over the weekend is that the NDP censured their leader. They censured him because he did not have the guts to carry out their policies during the election.

The Deputy Speaker: Ms. Copps, please.

Mr. Cassidy: The Leader of the Opposition has abandoned that time-trusted red hue of the Liberals to paint himself in a kind of west-end-of-Hamilton parlour pink and is trying to appeal to a left-wing constituency. I want to assure him that he and the Ontario Liberal Party are never going to succeed in the leftward direction that was painted on the weekend.

Left-wing parties around the world have always advanced the rights of workers. I cannot see any worker in this province accepting the hypocrisy of a Liberal leader who says teachers should not have collective bargaining rights and should not have the right to strike, but then says he is on the side of the workers when it comes to trying to get them homes of their own.

I remember this great champion of the left in 1977 and in 1978. Who voted with the government in the time of the minority to abandon the land speculation tax? It was the Liberal Party here in this House. Who is now saying there should be a speculation tax on those antiques,

the stamps and the condominiums and all those other things? It is the leader of the Liberal Party. Which side is he on, 1978 policy or 1981?

This will be a bit ad hominem, but the man elected treasurer of the Liberal Party of Ontario over the weekend was a good friend of mine, Ian Kimmerly. He was a candidate for the Liberals in 1977 in the great riding of Ottawa Centre. Mr. Kimmerly, when he is not working on behalf of the Liberal Party, makes his living by selling stamps to serious collectors. Serious collectors are those who collect stamps because of the speculative gain they expect to get from them, among other reasons. Does the member intend to tax Mr. Kimmerly's customers? I do not know. All the same—

Mr. Smith: I didn't say we should make it illegal. It is known as capital gains.

Mr. Cassidy: Is he going to finance his entire housing policy on the basis of Ian Kimmerly's customers?

I also remember that during the 1977 election campaign this champion of the left went around the province, pulled his pockets out of his pants and said to the taxpayers: "Not a nickel more. No more taxes. We have too much government. We have to move to the right." That was the slogan back in those days. Now he has decided he wants to move somewhere to the left.

What is really happening is this: Over the course of the summer the member has decided to declare war on the remaining part of the leadership of the Liberal Party of Ontario. He was on CKFM today saying, "The Liberal caucus is more conservative than the party." He also said Liberal members across the province were more reform-minded than the people whom Liberals actually elect to the Legislature.

What he was saying was: "Give me a mandate, and in six months after the convention next March, I will have the member for Niagara Falls (Mr. Kerrio) advocating a speculation tax of 150 per cent on every capital gain in Ontario. Six months after the leadership campaign next March we are going to have the people's republic of Ontario, and it is going to be endorsed by people the likes of the member for Huron-Middlesex (Mr. Riddell), the member for Essex North (Mr. Ruston) and—"

Mr. Smith: The leader of the NDP has never shown such interest in me. Members of the third party must be really worried; we have them absolutely in a panic.

3:40 p.m.

Mr. Cassidy: It was quite a spectacle. They had guards in front of every door. The reporters were not even allowed into the chamber, the holy of holies, where the election post mortem took place.

I point out to the leader of the Liberal Party that the New Democrats had no such fears. We opened our doors wide to anybody who wanted to come in and see as we reviewed the results of the election campaign, even though those results were rather disappointing.

Interjections.

The Deputy Speaker: Mr. Cassidy, I am hesitant to call the members to order. You are being slightly provocative.

Mr. Cassidy: Mr. Speaker, I think the leader of the Liberal Party is being a bit provocative as well in suggesting that he wants to apply for membership in the New Democratic Party. We have never seen any support from him before. Why was it that for so many years when we were the second party, and even after we became the third party, his party was never prepared to support us when we put forward no-confidence motions?

Mr. Smith: For 18 months you were the second party, my friend.

Mr. Cassidy: As I recall, there were about 10 or 11 occasions when we had the chance to bring this government down and to bring socialism in our time to Ontario by having an election.

Ms. Copps: What happened to all your policies in the last election? They all went down the tubes.

Mr. Cassidy: The Liberal Party of Ontario held back. They were not prepared to take the heat. They held back like a bunch of shrinking violets. Now they try to blame the NDP for simply trying to spare the electorate, who would have two elections in a row and frankly were a bit weary of constantly going to the polls.

Ms. Copps: You spared the electorate your own policies.

The Deputy Speaker: I want to remind members that interjections are allowed under standing orders, but a running commentary is not allowed.

Mr. Cassidy: I do want to bring your attention, Mr. Speaker, to the fact that not only has the leader of the Liberal Party declared war on

his caucus, but also he has declared war on the staff of the Liberal Party. What did he say here now?

Mr. Bradley: I am getting Saturday's Globe and Mail to see what Donald MacDonald said.

Mr. Cassidy: That is okay. He said: "I was let down by those put in a position of responsibility. Organizers did not organize." The myth-making is under way. "Stuart Smith will run for the leadership of the Liberal Party next March on the basis of a grass-roots appeal to rank and file Liberals. He will do so on the basis that they were betrayed in the election by the strategists who had the 'We're number 10' campaign; that they were betrayed in the elections back in 1979 and 1980 and the early part of 1981 by organizers who failed to organize; that they were betrayed by a caucus that was out of synch or out of step with the people of Ontario and that only Dr. Smith has the true answers for the Liberal Party and for the province of Ontario."

[Applause.]

Mr. Cassidy: Be it noted that the member for Hamilton Centre (Ms. Copps), the member for Prescott-Russell (Mr. Boudria) and the member for Yorkview (Mr. Spensieri) applauded, that the member for St. Catharines (Mr. Bradley) applauded and the member for Renfrew North (Mr. Conway) clapped his hands together very weakly. The other members all sat on their hands.

Just a bit of professional advice: I have never professed to be a psychiatrist—I have always been a journalist and observed these things—but when you go into a situation and you systematically say that the voters were out of step, the caucus was out of step, the candidates were out of step, the organizers were out of step, the strategists were out of step, that is called megalomania and that, I believe, is what has now seized the leader of the Liberal Party in this new leftism.

I want to talk a bit about the issue I raised in the House today, and I see that the Minister of Housing (Mr. Bennett) is still here. I say to the Minister of Housing that, even on the salary he may get after the pay raise at the end of this week, he would not be in a position at today's interest rates, if he were going fresh into the market, to buy that modest bungalow in Scarborough; nor could he afford to buy it in Etobicoke, in Thornhill or in the centre of Toronto. If he came to a four-bedroom executive house with a family room, he might as well forget it, or if he came to the kind of house in

which he is now living on Poplar Plains Road in Toronto, he might as well forget that as well, because that kind of housing is clearly out of reach.

The kind of housing that the Minister of Housing can live in is not of great concern to the vast number of the people of Ontario. For them, what is of concern is the kind of housing that they can afford to live in. For them, what is of concern is the fact that the price of housing has been climbing steadily out of reach and never faster than over the course of the last year. I pointed out in the House today, as I have pointed out again and again in the last two and a half months, just how rapidly those prices and the cost of ownership has been escalating.

The average price of a home in the Metro Toronto area, including the region of York, the region of Durham and the region of Peel is now more than \$100,000, exclusive of condominiums. It is a bit less if one includes condominium town houses, but it is still up in the 90s or thereabouts. That means it is quite out of reach for the average family with the average family income in Metropolitan Toronto, which was \$27,800 last year and will have risen to about \$30,000 this year.

I just ask the members of the House and the government to tell us why the devil we should have confidence in them when they say the only housing that is going to be available here is going to be housing that for people with average income will cost them two thirds of their pretax income to afford.

Here are the figures: In June 1981, the average cost of that bungalow in Scarborough—and those bungalows are modest, believe me—was \$120,000. If we assume 10 per cent down, the mortgage is \$108,000. If people can afford to save 20 or 30 per cent of the down payment, more power to them, but it is pretty tough at today's rents and today's cost of living. If we assume 10 per cent down and a mortgage of \$108,000, the principal and interest at 18.5 per cent will cost \$1,623 a month, which is \$19,480 a year. Taxes will add \$1,200 to that; plus there is heating, maintenance and those kinds of things I have not reckoned in. Altogether, that amounts to \$1,727 a month, or \$20,730 a year.

The hospital workers, with their recent increase, have an average income of about \$14,500 a year, and that is all. In other words, a hospital worker takes home two thirds of what it costs to afford a bungalow in the borough of Scarborough.

Over the course of last year the cost of having that house in Scarborough has risen by \$9,500. If

members want to reckon it, what has happened is that the cost of ownership has escalated for this modest home by 85 per cent in Etobicoke since 1980; by the same amount, about 84 per cent, in Scarborough since 1980; and in Mississauga, where the increase has been a bit less, it has escalated by about 40 or 41 per cent. Believe me, the incomes of people have not escalated by that much.

I opened my paper on the weekend, and in the Toronto Star they had a picture of the kind of house that the Minister of Housing says people should be moving into if they cannot afford that house in Scarborough. It was an extremely modest two-bedroom house on a tiny lot up in the area of Christie and St. Clair, a working class district. It was nothing special; it had no renovations, no cedar decks, no swimming pool, and no big backyard. There was nothing at all special about that house. It sold—because that is what the market is like—at \$68,000. That means the cost of owning that house, if one had a 10 per cent down payment and paid for a mortgage at today's interest rates, would be on the order of about \$9,000 a year. That is for a house that plainly is not adequate for any family with more than two children, or even two children of the opposite sex.

3:50 p.m.

The minister may want to get up in this House and say: "That's okay. A family of six could live there. You put a couple of kids in the dining room and a couple of kids in the living room, one in the kitchen, one child in the extra bedroom, and the parents can have a room to themselves. That is the way people used to live in the Depression; that is the way people used to live in the slums of Cabbagetown."

But, by God, I thought we had come to the point here in Ontario in the 1980s where people could have decent living accommodation, which means having at least three bedrooms for the average family so that everybody can have a bedroom of his own or, if there are two kids of the same sex, they can share. Surely that is the minimum we can ask for now, and not those kinds of slum conditions.

Is that what the member for Ottawa South (Mr. Bennett) expects to live in? Would he be prepared to live in those kinds of conditions? Would he want to have a flat over a store down on Queen Street in Toronto as his lifelong accommodation? Is that what he is recommending?

People live in those conditions. The people who live in those conditions are saving because

they would like to move out of those conditions. In many cases they are able to, or have been in the past; but now the route by which one can get out of those kinds of conditions and have a decent house of one's own is blocked. It is blocked when one needs an average income of \$70,000 or more to be able to afford the average home.

The minister must surely be wide awake enough to know that there are no houses selling for less than \$40,000 that are adequate to house a family. We went through this when the minister said there were 400 houses selling for less than \$40,000 through the Ontario Mortgage Corporation and then had to admit that his figures were wrong, that many of the houses selling for less than \$40,000 had only one or two bedrooms and that a number of those that he thought were selling for less than \$45,000 were selling for \$45,000 or more and were as far distant as Oshawa or beyond.

It is no good saying there is cheap housing up in Pembroke if the people who need the housing are here in Metropolitan Toronto. It is no good saying there is cheap housing in Barrie if people are going to have to pay \$1.75 a gallon today for their gasoline and if next year or the year after they will face gasoline costs that rival what people in western Europe now have to pay for their gasoline, because they will not be able to afford to commute.

It is no use saying that people should live 50 miles away from their work if at the same time the Minister of Transportation and Communications (Mr. Snow) is desperately trying to get people to live closer to their work because we have a limited supply of fossil fuels in the ground which cannot be replaced and certainly should not be squandered on needless commuting. It is no use saying they should live 50 miles away just because this government cannot solve the problems of interest rates and ensure that people can have homes of their own right near where they happen to work.

It is time this government had an interest rate policy. It is time this government had a housing policy dedicated to the principle that New Democrats have fought for as long as our party has existed, which is that decent housing at affordable cost should be the right of every family in Ontario.

That is not a commitment we discovered in Kingston over the weekend of June 20, 1981. It has been a principle of our party so long as the NDP has existed. It is a principle that CCFers fought for since our party was founded back in

the 1930s. It is a principle that democratic socialists have fought for the world over so long as democratic socialism has been a viable political force anywhere in the free world. It seems to me that it is about time we had a government that said, too, that decent housing at affordable cost would be a right for every family in Ontario.

When I say every family I include the people who are driving school buses up in the Parry Sound area and may be earning only \$4 or \$5 an hour; I include the refugee families who come to our country from Chile or Vietnam and who may have two or three people working but who have to work at the minimum wage or just above it to try to get a stake together and who now find that \$75,000 or \$80,000 is the minimum cost of a house on a transit line—because they cannot afford a car either—and I think those people have a right to have a home of their own as well.

I include those young families, the young men and women who grow up in communities like Windsor, Oshawa and Ottawa, whose parents were able to buy a bungalow for maybe \$12,000 or \$14,000 many years ago in the days when interest rates or mortgage rates were limited to a maximum of six per cent; that was as recently as 1962 or 1963. But it was a Liberal government in Canada which since 1963 has systematically removed those controls that used to provide long-term mortgages at prices many people could afford for the kinds of bungalows that today are selling for \$100,000 or more in areas like Metropolitan Toronto.

The sons and daughters of the people who bought those bungalows in Scarborough 20 years ago are now grown up and wondering what is going to happen to them because they cannot get those interest rates. They cannot get the kind of access that used to be available to their parents.

They are now living in high-rises in Scarborough, on Prince of Wales Drive in my riding and in other parts of similar areas across the province. From their high-rise balconies, if they can afford the rent, they can look down on their parents' homes or on bungalows of the kind their parents could afford and which they cannot.

They look to this government. They look to the Minister of Housing (Mr. Bennett) and they wonder when he talks about that bungalow being a dream home which they should not be able to have. They wonder when they hear talk about the new realities of March 19.

They wonder when the minister talks about

the song and dance of people whose mortgage rates are going up. They wonder when the minister tries to blame the victims. With people now being compelled to leave their assisted home ownership program homes because of the rising interest rates, he lays the blame on those people themselves rather than on the lack of an adequate social housing policy by both Liberals and Conservatives.

While we intend to support this no-confidence motion because we have no confidence in the housing policies of the Conservative government, I want to make it clear that, in voting against the government on this issue, we certainly have no more confidence in the interest rates and housing policies of Paul Cosgrove, Pierre Trudeau, Allan MacEachen, Herb Gray, John Munro, Jim Fleming, Bob Kaplan and all those other federal Liberals any more than we have confidence in whatever policy the provincial Liberal Party of Ontario happens to have dreamed up this week.

Mr. Jones: Mr. Speaker, I am happy to participate in this debate on the no-confidence motion, recognizing at the outset that, while the opposition has never had much confidence in government or firm leadership, the people of Ontario as recently as March 19 demonstrated again and renewed their commitment to these key elements in the economic growth of this province.

Mr. Smith: I'm leaving if this is the best they can do. Could they not find a minister to support the government?

Mr. Jones: As the Leader of the Opposition departs, his main contributions at the early stage may well tie in with what is mentioned in all the papers, some of which the leader of the third party was just reading and commenting on, that he is shifting to the left.

He sure is, and it seems he is picking up some of the habits of members of the third party who always pretend that only they have concern for the people of this province on social matters, on matters of interest rates and other things affecting people in my riding and other ridings like it across this province.

He was caught up taking little shots at the hard-working member for Sarnia (Mr. Brandt), a member who serves in added capacities as well as in this Legislature. He serves as parliamentary assistant to the Minister of Labour (Mr. Elgie) and has every concern for the working people of this province.

I intend to spend some time speaking about

the strength of our government's direction of the economy and the effectiveness of our budgetary approach. What I want to do is tackle head on some of the nonsense which we on the government side have had to listen to over the course of the budget debate and indeed through the interim supply debate.

I recall the comments of the member for Ottawa East (Mr. Roy) the other evening—I believe it was June 15—when he had some harsh comments for us over here when he was speaking about our deficit position.

He said: "Can you imagine the gall of comparing this administration with Leslie Frost's? . . . As far as I know, during the days of Leslie Frost there was never a deficit. To compare the two administrations is close to being sacrilegious." Sacrilege or not, the first thing that Leslie Frost did upon becoming Premier was to draft a blueprint for economic growth that did involve a budgetary deficit.

Mr. Bradley: Are you bragging about that?

Mr. Jones: Yes, I am.

4 p.m.

Some years later, the last budget he introduced also contained a deficit, this time over four times larger. Between those years, Mr. Frost incurred budgetary increases as high as 16.8 per cent. Why did he do that? As a report of the Ontario Economic Council explained:

"In the 13 years prior to 1957, nearly two thirds of the province's capital projects had been financed out of current revenue, but the province's capital program had recently been so large that an increasing proportion of it had to be financed by borrowing. To the Ontario government and municipalities fell the responsibility of providing those essential services of education, highways, roads, hospitals and water and sewage works, without which urban development could not occur nor industry flourish. On them, in addition, devolved a major part of the task of maintaining an economic environment friendly to industrial expansion and creation of new employment opportunities."

I hope that will serve as a helpful reminder of history to the member for Ottawa East when he refers to a former Premier such as Mr. Frost. I also hope it will not be lost on the member for London Centre (Mr. Peterson), the official critic for the Liberal Party. I am sure he sees himself as a self-styled expert on the economy. Last year, in talking about the Ontario Economic Council, the member for London Centre said, "I think a lot of their studies are a waste."

Any study is only a waste if someone does not read it. With all respect to the Treasury critic for the Liberal Party, I think he would do well to learn a little bit about the province's economic history and certainly to help his colleague at the other end of the front row.

As the Premier (Mr. Davis) observed in January of this year: "The strong performance of our economy in the past has been our greatest social achievement. It has created opportunities for the disadvantaged to advance, for families to educate their children and for the average worker to gain the security of home ownership and to have an adequate pension. It has enabled government to obtain the funds for fruitful initiatives ranging from health care to scientific exploration."

It is astonishing that the Liberal Party has even called us here to argue the merits of our economic policy. It is a supreme irony while the federal Liberal Party runs a \$14-billion deficit, while it virtually destroys through neglect any serious commitment to research and development in this country, while it delayed the introduction of a revised Bank Act for more than three years, while it swells the size of public service beyond reason and while it frightens foreign investment from this country; it creates high interest rates through all these things.

A moment ago, the Leader of the Opposition said it was not within his power nor within the power of this government, but there were things the federal government could do. As we debate his resolution today and look for programs to subsidize, we are talking about subsidizing the inflation created by our Liberal brothers in Ottawa.

On May 25, the member for London Centre talked about the unnecessary expenditures that could have been cut from this budget. He pulled out his shoebox and found an item here and there he did not like. He is the man who would singlehandedly balance Ontario's budget, the fellow who says he knows where the bottom line on any page is located. I have searched Hansard, scrupulously looking for some reduction in government spending that would occur under that inspired wishful thinking of the Liberal Treasury critic, but it is not there. Like so much Liberal economic policy, it remains invisible to all but the most diehard of Liberals.

Hon. Mr. Ashe: Left-wing Liberals.

Mr. Jones: They could be left or right, one never knows; there are two brands.

None the less, a few details were mentioned.

Anyone who talks as long as the member for London Centre does on occasion is bound to have said something, such as how he would deal with it. One of the comments that jumps out is the question of sales tax cuts which the member claimed were "election inspired," in his words.

Far from being a cynical election ploy, as that member suggests, the temporary reduction in the retail sales tax did cause a surge of buying by consumers and business. I know the leader of the official opposition in his resolution disclaimed that it had any effect—let alone any large effect—but the facts speak for themselves. The temporary reduction of retail sales tax did cause a surge of buying by consumers and businesses. Retail trade in Ontario accelerated 17.8 per cent in the July-December 1975 period and nearly doubled the rate of the first half of the year. For the year as a whole, the rate of retail sales in Ontario outperformed the rest of Canada by almost two full percentage points. Yet this is the type of initiative that the economic visionaries of the Liberal Party would put at the top of their list for elimination.

The member for London Centre also talked about getting rid of white elephants. I gather that is his term for the sale of land through the Ontario Mortgage Corporation. That does not take into account the shifting composition of Ontario's capital investments. That offered us capacity to increase investments related to economic development while holding overall capital spending in check. Over the period of 1976-77 and 1979-80, capital investment—he can check this—the member should know that capital investment related to the economy and the environment increased by 47 per cent despite an overall increase in capital investment of only 7.5 per cent.

The member for London Centre indicated that Liberal economic policy calls for a reduction in advertising, for example, which is another of his few suggestions of what we might do or where we might look for cutting of spending. Despite the relatively small saving that we could capture by that route, it certainly strikes one as being a foolish notion. I wonder if the would-be Treasurer has talked to his friends in agriculture and some of his members representing agricultural constituencies about eliminating that. I wonder if he has spoken to the member for Huron-Middlesex (Mr. Riddell) or others about eliminating the Foodland Ontario campaign or whether he is talking—and I am sure he is not—about doing away with our poison control program aimed at children. That is not a waste of public funds. As one looks at these proposals,

they are the only things I see the member being specific about in his remarks on the budget debate and on interim supply.

The same Treasury critic also complained about the cost of debt servicing. Funded debt stood at around 18.1 per cent of personal income in the 1972-73 period. It has actually declined to around 17.1 per cent for the current fiscal year. In 1945—seeing that others were talking about history here not long ago—it required 21.6 per cent of provincial government revenues to meet the cost of debt servicing. Today that number is down to about 9.6 per cent.

4:10 p.m.

Since becoming the parliamentary assistant to the Treasurer (Mr. F. S. Miller), who was the architect and the drafter of this budget, I have had an opportunity to become familiar with some statistics of the economic performance. I would like to share some of them, because we certainly have had some distortions in the debate leading up to, and even in the course of, this resolution put by the Leader of the Opposition.

We have heard about the poor state of capital investment in this province. In 1980, though, business investment in Ontario increased by 18.8 per cent. Investment in the manufacturing section went up to 34.5 per cent of an increase. For 1981 intentions call for a further increase of 17.1 per cent in business investment. So we are forecasting real growth this year of 2.4 per cent and the creation of 106,000 new jobs, with a corresponding drop in the unemployment rate to 6.6 per cent from the current rate of 6.9 per cent.

Mr. T. P. Reid: We will believe that when we see it too.

Mr. Jones: We have had it over the last five years, where we averaged 100,000 new jobs. If the member will listen a second, he will hear another interesting and very current statistic that shows how it is on time. As a matter of fact, Mr. Speaker, I can share with you in the case of current statistics the actual figures for the month of May. The Ontario unemployment rate in May was 6.2 per cent, down a substantial 1.5 points from a year earlier. Total employment increased a remarkable 179,000 from its level a year earlier. The actual number of unemployed declined by 60,000 from the May 1980 level. These numbers are early indications that directions undertaken by the Treasurer in the Novem-

ber 1980 mini-budget, and followed through in the 1981 budget, will sustain this province's economic growth.

Mr. MacDonald: That is statistical indigestion.

Mr. Jones: The member can tell. There is the direction. It is coming on. As the Treasurer himself stated in his budget, it is a realistic one which takes into account the many priorities this province must address in the economic environment in which we must operate. It reinforces the fiscal responsibility for which this province is well known. It will ensure the continuation of Ontario's envied status as a place in which to work and live. That is in contrast to the continual downer—while not minimizing the problems we have in our economy—we heard through the election campaign and ever since this House reconvened. We hear the same echo of the election about our tenth place and all that has been part of that dialogue.

We heard from the member for Renfrew North (Mr. Conway), who is here. He had some harsh words for the government the other night on, I believe, interim supply. It is not normally his custom, but there was almost a meanness of spirit about it. It was no doubt temporary, and it might have been induced by the trials of the electoral process. I am not sure. But it caused him to call Ontario's Board of Industrial Leadership and Development program a bribe. He talked about setting one member from one riding against another member and so forth. He made a petty accusation that does him and his party very little credit, I would think.

Moreover, if the Sunday Sun is accurate in its reporting of the private meetings of the Liberal convention delegates this weekend, then the Liberal leader now acknowledges the futility of that economic negativism that the people of Ontario really do not find palatable. They would rather we, as their representatives, get on with a more positive outlook and do the job, rather than concentrating only on the negative over and over again. But perhaps the member, an otherwise honest and generous man, will come to understand our continuing need in this province to direct a highly sophisticated and diversified economy by means of a selective and integrated investment strategy with an adequate time horizon.

This is exactly what the BILD program promises the people of Ontario, and we certainly intend to keep that promise. Part of the promise involves the offering of incentives to

the private sector where important gains are possible. While the Liberal Party may object to the grants we offered Ford in the past, we believe in a continued partnership of business and government to create jobs and expand the economy.

That is why the BILD program will be offering incentives to growers, to assist them in expanding their crop production. Ontario has the largest, most diversified agricultural sector in Canada, while still having untapped capacity to expand current exports.

Because of the province's strategic location and its efficient farming sector, an entire new high technology industry based on agricultural commodities is possible over this next decade. So the BILD initiatives in the areas of food processing, storage facilities and the crop production incentives I mentioned will help ensure accelerated growth in this sector.

The member for London Centre, in his capacity as the official critic of the Liberal Party, which put the resolution today, has dismissed the BILD program as—I think he said it was vague, and he says that in many cases it was ill conceived. Is it ill conceived to prepare Ontario for the transition to an economic system in the 1980s based increasingly on electrical power and nuclear technology? That is what BILD does.

Mr. T. P. Reid: Mr. Speaker, on a point of order: I have listened to the member with a great deal of patience, if not always interest. He is, first of all, not speaking to the motion of no confidence on the Order Paper, motion 18. He seems to be under the misapprehension that this is the budget debate and this is the motion put by our financial critic in regard to the budget.

I would bring his attention to the fact that it is actually a motion of no confidence put by the leader of the Liberal Party. Would he please address himself to the matter of interest rates rather than regurgitating a budget speech he has obviously given already.

Mr. Jones: Mr. Speaker, I resent the member's suggestion that this is a speech I have already given. I do not know how this could be when I am talking about the discussion and speculation in the newspapers about the leadership of the Liberal Party.

The way the resolution he refers to reads, motion 18, as presented under standing order 63, "the failure of the government's budget to provide immediate" and so on, it is the failure of the budget that has brought the Leader of the Opposition in here to lecture this party about

small business, to criticize the budget of 1981 that was brought in by our Treasurer—who knows something about small business, believe it or not.

When the Liberal Party speaks to us about standing up for small business, having concern about high interest rates—that is the point I am making—

Interjections.

Mr. Speaker: Order.

Mr. Jones: It is so ironic that members of the Liberal Party would come in here and condemn us and take up our time with this motion of no confidence when it is a Liberal government in Ottawa that created all the problems. It is the one that caused inflation, fueled it and fueled it, and has something like a \$14 billion deficit. Yet they presume to lecture this government that sits on a program of constraint and restraint, while still providing high quality service to the people.

Ms. Copps: What high quality service? What service?

Mr. Jones: That is what we are talking about.

The Liberal Party seems to be off track, not only in this debate but in all matters to do with the budget. Here they are bringing a resolution of no confidence based on it, and they wonder why we point out things they obviously missed in the budget. Even their official critic of the Treasury seems somehow or other to propose that they bring down this government and replace it with his own party. We have to wonder whether he read the thing at all.

4:20 p.m.

Our job is to prepare Ontario for the transition to the new economic realities of a new decade. Of course, we are doing that, and that serves the people of Ontario in a variety of ways, whether in regard to secure pensions in the future or higher interest rates—a problem that really does belong in Ottawa, to be sure. We are doing our part at this level in this province, and we are doing so very well with a well coordinated program as outlined in that budget, which happens to have as one of its main themes a program called the Board of Industrial Leadership and Development.

It is astonishing when they dismiss our BILD program. They may not like it over there that we talk about their Liberal Treasury critic, but he is the spokesman for their party and he is the one who rises in this House and dismisses something

as basic and as complex, and as well received, incidentally, by the people of Ontario, as our BILD program. These were his words—

Ms. Copps: The member says he has a basic and a complex program.

The Acting Speaker (Mr. Cousens): Order.

Mr. Jones: Will the member for Hamilton Centre just listen for a half a second? These are the words from over there: "The Ontario Liberal Party has been calling for a comprehensive, co-ordinated industrial strategy in this province, and we believe a strategy must be developed and a set of objectives delineated." Now the member for London Centre is back, and they say we should not talk about him or his proposals under the budget. But he must be the only person in Ontario not to recognize that at the best he is reinventing the wheel when he puts this into the debate—

Ms. Copps: Getting back to basics means something that people can understand. Like the ad valorem tax it is—

The Acting Speaker: Order. Mr. Jones has the floor.

Mr. Jones: The BILD program focuses on four key objectives: jobs, diminished inflation—and if that has not got something to do with interest rates and the ability to buy homes at all earning levels then I do not know what has—trade and productivity. BILD has identified six major themes as priorities for cohesive and comprehensive economic development. They are electricity, transportation, resources, technology, people and their communities. So it consolidates and co-ordinates the government's total economic development effort, it will provide a focus for economic liaison with the federal government and with other concerned interests and it will ensure maximum participation and support for Ontario's development initiatives.

So the sound and progressive management of the provincial economy under Leslie Frost is something even Liberals today applaud. I suggest that in the decades to come there will be Liberals of today who will look back at the current period of economic leadership, at what today remains a little obscure because of partisan considerations, and will recognize that there are some parallels between the programs of a man called Frost and those we are seeing brought in for this era and for the coming decade, programs that will give leadership that will help the people of Ontario to continue to benefit under the kind of government they have

received from Conservatives in this province and will continue to receive as we go into this new era of the 1980s.

Mr. T. P. Reid: Mr. Speaker, I was quite interested to hear the parliamentary assistant's comments in regard to interest rates. It is interesting that in fact he hardly dealt with the no-confidence issue at all, and the very basic fact that what this is all about simply is that there are people out there in Ontario society today who are suffering from the impact of high interest rates, that they are liable to lose their homes, that they are liable to lose their farms and they are liable to lose their small businesses, because among other people who will not act on this—and I do not absolve the federal government—they, as the government of Ontario, the cabinet minister who is with us this afternoon, the Minister of Education (Miss Stephenson) and her colleagues, are refusing to do anything about this.

I tried to rise this afternoon during the question period to ask the Minister of Housing (Mr. Bennett), who responded to questions from this side about the high interest rates and the dream, as he called it, of owning a home, if he was prepared to do anything at this time. My question was: How many people have to lose their homes before the minister does something about it?

I am not talking about the people who have built or bought a \$500,000 home or who, in the last mad scramble, bought houses at the current interest rate. I am talking about those people who bought a home when the interest rates were 12 and 13 per cent and logically could have believed they could afford to keep up those payments given a moderate level of inflation and they could handle those carrying charges. Nobody foresaw the interest rates. I suppose we would all be multimillionaires if we ever dreamed interest rates would go this high in this period of time. But they did and these people are suffering—home owners, small businessmen, farmers.

I have farmers in my riding who are going out of business or, in fact, cannot get into business. Let us deal only with those who were affected by the high interest rates through no fault of their own, and yet there is nothing being done or even suggested by the government to help them out.

I am not one of those who feels that everybody should be helped out in every conceivable way and under every conceivable circumstance, but the vast majority of these people of Ontario who are suffering from these high interest rates,

particularly in these three categories, are suffering through no fault of their own. If it is not their fault, then whose is it? Who has a vested interest in inflation? Who has, and has had for some time, the levers of fiscal policy to do something about inflation in this province? The people sitting opposite.

Again, I do not absolve the federal government, but this government has to share the blame for the high deficits that are continuing under this Treasurer (Mr. F. S. Miller), who has no idea. He should have stuck with Santa's Village, with all respect.

Hon. Miss Stephenson: You should stick with the reindeer, because that's what—

Mr. Peterson: That is all Santa's Village is, one scruffy reindeer in a cage.

Mr. T.P. Reid: The reality is—a word that will perhaps get somebody's attention over there—that every government in Canada, including this one, has a stake in inflation and therefore is not prepared to do anything about it, because as inflation continues, government revenues go up and they can afford all the waste and mismanagement that the people opposite have and which we see day after day.

Mr. Jones: No, that's wrong. The Treasurer explained that to you. You intentionally want to visit that on the people.

Mr. T.P. Reid: Certainly they have a stake in inflation. The most obvious example of that stake in inflation is the ad valorem tax on gasoline. The Treasurer in his openness sometimes admits that in fact the government is going to gain every time the price of gasoline goes up for whatever reason. But for him to also say at the same time that is anti-inflationary just does not make sense. Anybody knows that if one increases the price of something, whether one calls that cost push or demand pull, that is inflationary. What does that mean?

Mr. Grande: Speak to the interest rates.

Mr. T.P. Reid: My friend from the Socialist party yells, "Talk about interest rates." They are obviously economic ignoramuses and always have been, because the high government expenditures add to inflation. The more demands that governments at all levels put on the economy, the more—

Mr. Philip: Your promises were more expensive than ours in the last election.

4:30 p.m.

Mr. T. P. Reid: We were talking about creating wealth. The NDP talked about doing nothing but spending it.

Mr. Philip: What about all those giveaway programs?

The Acting Speaker: Order.

Mr. T. P. Reid: What programs?

Mr. Philip: All your giveaways, all your promises.

Mr. T. P. Reid: If we could outpromise the NDP, we must have been doing a good job.

Interjections.

Mr. T. P. Reid: The point is, Mr. Speaker, my friend the member for Oakwood (Mr. Grande) sees no relationship between government expenditures, or even private expenditures, the rate of inflation and the high interest rates. One does not have to be very bright and one does not have to read the papers very often—

Interjection.

Mr. T. P. Reid: The member for York Mills (Miss Stephenson) does not see any relationship?

Hon. Miss Stephenson: You said somebody did not see any relationship.

Mr. T. P. Reid: The member for Oakwood, yes.

Hon. Miss Stephenson: I understand.

Mr. T. P. Reid: Does the government understand? Why then does it continue with its inflationary policies, its ad valorem tax, increasing the rate of inflation, and therefore requiring, at least in the federal wisdom or Mr. MacEachen's wisdom, a high interest rate to dampen demand on various commodities, to maintain our dollar at some kind of a reasonable exchange rate, and presumably to attract investment funds, both short term and long term, into Canada? That is what is going on; and I agree, and I will say it again, the federal government is just as guilty as the Ontario government in adding to and fuelling inflation, because it does not suffer from it. It can always increase taxes, but as inflation goes up obviously it gets a bigger share of the pie with which it can pay for all its programs.

Do not tell me this government is not part and parcel of the problem of inflation in Canada today. It is part and parcel of that inflation, because it is adding to it. It has a responsibility and we as a chamber have a responsibility to protect as much as we can the people who are directly affected by inflation, which leads to the

present high interest rates. People needing protection include, for instance, senior citizens; it is always the people on fixed incomes who suffer most from inflation.

This government and the parliamentary assistant cannot sit there and tell me this current budget deals in any meaningful way with inflation. The parliamentary assistant cannot sit there and tell me the fact that we still have over 85,000 civil servants in Ontario is in any way dealing with inflation.

Hon. Mr. Bennett: How many?

Mr. T. P. Reid: Over 85,000, according to the government's own figures.

Mr. Jones: Five thousand less.

Mr. T. P. Reid: Five thousand less since their last bulletin?

I have been the chairman of the public accounts committee for a number of years and we always hear from across that side: "What would you do? How would you cut the government deficit? What programs would you cut back on?" We have already heard reference to \$600 million and the former Treasurer, John White, who had a dream in the back of his limousine about buying all this land in Ontario. I am sure the present Treasurer would love to have that \$600 million today. I am sure the Minister of Housing would love to have that money. Then he would not be so embarrassed to get up here day after day and say, "There is really nothing I can do because the resources are not there."

A little thing like the matter of St. Mary's Health Centre is something that really annoys me, quite frankly. The government and the civil servants within the Ministry of Health, particularly Dr. Suttie and Mr. Berry, were not concerned about the moneys that were being paid to St. Mary's Health Centre. That was just a drop in the bucket, and they were not concerned. It is interesting as a sidelight that an all-party committee took very great issue and exception to the way Dr. Suttie and Mr. Berry responded to the public accounts committee. I raise that for a particular reason, because there is a lot of waste and inefficiency in this government. It has always frustrated me, as a meopposition, that the public does not seem to know that, or perhaps because the press does not care about it and never bothers to make an issue of it.

If the government wants to know where it can save money, it might look at those people who are efficient and inefficient in government. It

might look at the minutes of the standing committee on public accounts over the last couple of years, at the remarks about some of the civil servants and how they are not performing, but are getting performance bonuses anyway because they happen to be there.

I do not mean to malign all the people in the Ontario public service. We have some of the best in the world. But we also have some who are costing the taxpayers money, which itself leads to inflation and the concomitant result of ultimately higher interest rates at some point down the line.

The government might look at those items. In some manner, it might cut back from 85,000 civil servants. It might weed out the ones who are not performing. We might cut the budget somewhat, and in our way we might help to bring down the level of inflation.

Obviously, we know this no-confidence motion is not going to pass. The reality of March 19 is that there are more of them than there are of us. But we are doing this at a time that probably can be referred to as the dying days of this Legislature to try to underline our concern, not just as opposition members but also as individuals representing constituencies where people are coming to us on an individual and day-to-day basis, saying: "I can't keep on farming. My son can't go into farming. I am going to lose my house because I have been temporarily or maybe permanently laid off."

I have small businessmen who cannot stand a 19.07 per cent prime rate or bank rate, which means they cannot even get it at those prices. Sometimes we all think they are making a lot of money, but usually they are operating on the margin.

As an individual, I am standing here trying to impress upon the parliamentary assistant and anybody else who cares to listen that this is not just something coming from the opposition as such, but that we are dealing with real problems.

My fear is that, when we are adjourn, we are not going to have any programs in place for any of the people in these sectors. We are going to be off for the summer. There is not going to be any pressure on the government, which is still feeling the effects of March 19. We are not going to deal with these problems in a realistic way.

I say to the parliamentary assistant, he himself must have people coming to him and saying, "I have these problems." Surely it is not outside the power of the 70 or so people on those benches and the 85,000 civil servants the

government has to back it up to come up with some program that does not necessarily have to be a 100 per cent subsidy to everybody but at least will deal with those real hardship cases where people might lose their businesses, their farms and their houses.

Mr. Philip: Mr. Speaker, I rise in support of the no-confidence motion before the House. As NDP Housing critic and as an MPP for a riding that has experienced a significant increase in housing prices and interest rates, and as an MPP who has seen the suffering on the faces of the people coming into my office not knowing what to do and asking me to negotiate for sign-backs with mortgage companies, I cannot help but identify with the motion.

4:40 p.m.

A significant number of those who already own their own homes either have experienced or soon will experience serious affordability problems. According to Canada Mortgage and Housing Corporation estimates, 200,000 mortgages will come up for renewal this year in Ontario. Of these, 135,000 were negotiated or renegotiated in 1976, when interest rates were an average of 11.78 per cent and 25,000 were purchased at 10.6 per cent in 1978. With the present bank interest rate now up, the burden of mortgage payments will prove too heavy for many home owners who will either have to sell or default on their mortgages. We see this happening on a regular basis.

Monthly payments for principal and interest alone will increase by more than 50 per cent. Monthly payments on a \$50,000 mortgage at 11.75 per cent are \$507.23. On the same mortgage today, worked out at about 18 per cent, monthly payments are \$733.19. Thus, the annual increase in mortgage payments is more than \$2,700. Clearly, we must conclude that a housing affordability problem exists and is becoming more acute for a significant number of our constituents.

In November 1980, it cost \$916 a month to keep up the monthly payments—that is, for principal, interest and taxes—on an average-priced home selling for \$77,275 in Metropolitan Toronto. That was assuming a 10 per cent down payment. To carry the principal, interest and taxes on such a home a household required, at the very least, an annual income of \$36,600. The median household income in Metropolitan Toronto is just over \$27,000, and the average industrial wage is just over \$17,000.

By April 1981, the average price had jumped

by \$10,360 or 13 per cent. This average includes all types of dwellings; town houses, condominiums, single-family dwellings and so forth. When only single-family homes are included, the average cost of a house in Metropolitan Toronto was already more than \$100,000 as of April of this year.

Mortgage interest rates rose from 14 per cent to 18 per cent in the same period and there is little indication that the crisis is subsiding, although it has fluctuated by part of a percentage point in the last few weeks.

The result was that last November a family required an income of \$36,600 to afford the average-priced home. By April, the income required was more than \$50,000.

To put it bluntly, last November an MPP could no longer afford an average-priced home in Metro. Last month, a cabinet minister had only \$3,000 more income annually than the minimum income required to afford the average-priced home in Metropolitan Toronto.

The problem of housing affordability is not just a matter of interest rates, as indicated in this motion. It is also a problem of excessive speculation in the marketplace. In this regard this motion is clearly silent. It is little wonder that this is the case, for many members will recall that it was the Liberal Party in the last House that voted with the Conservatives for the removal of speculation tax.

We, in this party, do not believe in piecemeal resolutions or piecemeal answers. Therefore, in this session I introduced a resolution in the Legislature that calls upon the government of Ontario to take immediate steps to provide more affordable housing. The resolution would introduce a speculation tax to take away speculative profits in housing, establish a legislative committee to deal with the inflow of foreign capital in Ontario's housing market and commit the government to the production of more affordable housing. The text of the resolution is as follows:

"That, in the opinion of this House, the government of Ontario should take immediate steps to develop programs and introduce legislation designed to alleviate the current housing crisis evidenced by the rapidly increasing price of houses and diminishing stock of decent, affordable houses in Ontario and that, in particular, the government should:

"1. introduce a housing speculation tax in the assembly to tax away the speculative profits made by persons who buy and sell housing and land (for the purpose of making easy profits in a

speculative market), but that includes a specific exemption for home owners selling residences they occupy and for long-term investors who provide affordable rental accommodation;

"2. sponsor the establishment of a select committee of the assembly to inquire into and assess the impact of the flow of foreign speculative capital in the province's housing market; and

"3. establish effective housing programs to produce and upgrade the stock of decent, affordable housing in Ontario."

Royal Trust has released the results of its latest house price survey. Here is how prices have moved up on house number one, which they describe as a fairly modest house. It is a detached, three-bedroom bungalow constructed partially of brick with wood, aluminum or stucco. It is five to eight years old and has one and a half bathrooms, a one-car garage, a full basement but no recreation room, fireplace or appliances. It is a fairly modest house.

Taking that type of house, we see that in June 1980 one could purchase that in Bramalea for about \$71,000. By June 1981 that same house was \$105,000. In my own area of Etobicoke, we are talking about \$91,000 in June 1980 and \$130,500 in June 1981.

I see the member for Mississauga North (Mr. Jones), who feels everything in this budget is right. In Mississauga, that kind of house was a little less expensive. It was \$78,000 in June 1980 but rose to \$100,000 in June 1981. I could go through all of it—Richmond Hill, Thornhill, Toronto centre and so forth. Toronto centre is obviously more expensive.

What do these increases mean in terms of affordability? Let us consider the increase in carrying costs on the three-bedroom house in the cheapest Metro and district locations; that is, Etobicoke, Scarborough and Mississauga. If we assume the mortgage interest was 13 per cent in June 1980 and is 18.5 per cent in June 1981, and if we take the taxes as reported in the Royal Trust survey and a 25-year term with a 10 per cent down payment, then we come up with some interesting figures on what it costs to live in any of those jurisdictions.

I will not deal with them all, but I want to point out areas I have been closely connected with, Etobicoke and Mississauga. In Etobicoke, the price in 1980 would be roughly \$91,000, with a mortgage of \$81,900. There would be a yearly tax of \$1,300. One would end up with a carrying cost on that average house of \$12,135 per year or \$1,011 a month. When one projects that into

June 1981 with present prices, one is talking about a home that is now \$130,500, with a carrying cost of \$22,490 a year or \$1,874 a month.

The yearly income to carry that Etobicoke home would have been \$40,450 in June 1980, but in June 1981 it would be \$74,967. I could do similar figures and show similar results for other areas, such as Mississauga. To take the Mississauga example, to carry that we are talking about a yearly income of \$34,290 in 1980, compared with \$58,223 in June 1981.

It is obvious the increases make affordable housing unaffordable. They make it impossible for the average family to get into the housing market now in this city or the surrounding areas—even in Mississauga.

4:50 p.m.

I find it interesting that the provincial Liberal Party is the one that is introducing this motion. Perhaps they should speak to their kissing cousins in Ottawa. The Liberals' slavish opting for the United States monetary policy has had an increasingly adverse effect on all sectors of the Canadian economy. The impact has been most obvious on housing, since the scale of borrowing necessary for most purchases makes the rate of interest charged, and hence the cash payment necessary to amortize the mortgage, several times larger than the original purchase price.

The high interest rate clearly has also had an effect on the construction of rental accommodation. That is a factor that has been ignored by Paul Cosgrove, the Minister of Public Works and the minister responsible for Canada Mortgage and Housing Corporation, when he called for the removal of rent review as the way of stimulating the construction of rental accommodation. Mr. Cosgrove does not understand it is interest rates that are at the root of the problem. He was not able to understand that in a debate I had with him on The Shulman File only a few months ago. Instead, he would rather blame it on rent review. Indeed, he was one of the great lobbyists for the removal of rent review.

If the Liberal Party in this province wants to talk to somebody about the problem of high interest rates and the problem of affordable housing, perhaps it should start off by speaking to Mr. Cosgrove, who clearly does not understand what is going on and does not want to take responsibility for it.

The government has attempted to stimulate

rental construction with a subsidy program. But one must question whether it has been successful in doing so.

I see the Minister of Housing (Mr. Bennett) is here. He was good enough to respond to inquiries I placed on the Order Paper a couple of weeks ago—questions 128 and 129. The Liberal Housing critic still does not understand that the Minister of Housing responded to that question. He keeps asking the same question over and over again.

My questions were very simple. Question 128 said: "Will the ministry list each application approved under the Ontario rental construction loan program? Will the ministry provide in its response the name of the developer, the exact location of the development, the municipality, the number of units by apartment size (one-bedroom, two-bedroom, three-bedroom) and the date on which the construction must commence under the terms of the program?"

The second question, 129, was: "Will the ministry list all its developments approved but not constructed under the Ontario rental construction loan program?"

Those questions were tabled on June 8. The reply came forth on Friday, June 19. I will not go through all the details of the reply. The Minister of Housing, when he has an opportunity to speak, may like to do so.

I see approval has been given for a total of 14,408 units. In acknowledging that, however, we must at the same time recognize that some town house developments are included in the totals approved, as well as a couple of residential/commercial projects. The vast majority are, I acknowledge, apartments.

Since the Ontario Mortgage Corporation, which administers the program, reports that 18,484 units are being proposed for the subsidy to June 9, there are some 4,000 units still under consideration or already rejected.

It is striking that only 2,237 units have been committed by OMC. That is a mere 15.5 per cent of the units approved as meeting the program criteria. They have also been given firm loan assurance, which is withheld until mortgage financing, building permission and so forth has been secured. Since it is presumably in this latter stage that the developers have been running into problems because of high mortgage interest rates and carrying costs for the bridge financing, we can anticipate that some of the projects that were approved will not be able to satisfy the requirements for the commitment of funds. Indeed, 34 projects that have been

approved for a total of 4,375 units have now gone beyond the stipulated 90-day waiting period in which approval remains valid and during which information must be provided to meet the requirements respecting committed funds.

There are other members who wish to speak on this motion. I wish to take time with the minister at some future date to deal with more of the specifics of those questions and answers. I think it is fairly clear the government has failed to provide any relief or take any responsibility for the increasing interest rates. It is also clear that rising interest rates, which are the responsibility of both the federal and provincial governments, have had an adverse effect on the home owner who is increasingly unable to afford to own a home. They are having a serious affect on the rental accommodation market.

The person who wants to rent and the person who wants to buy have been very seriously affected by the negligence and incompetence of both this government and the federal Liberal government. I have no alternative but to vote for this motion.

Hon. Mr. Bennett: Mr. Speaker, I am pleased to have an opportunity as Minister of Housing to make a few comments in relation to the no-confidence motion, which obviously we will not support.

It has been interesting to sit here this afternoon and listen to the member for Rainy River (Mr. T. P. Reid), for example. He started out by accusing the member for Mississauga North (Mr. Jones) of getting away from the motion and talking about the budget rather than this motion of no confidence. Then he went into the area himself and talked about the budget, the budget criteria, how it came about and how it affected our society. He then—

Mr. Stokes: He is consistent in his inconsistency.

Hon. Mr. Bennett: I suppose the honourable member is right in that assessment, as he was when he was the Speaker. He was often right in his assessment of how things went around here.

Mr. Cooke: His assessment is right of your performance too.

Hon. Mr. Bennett: At least I am in a position where he can make an assessment. The member's performance has been nil so far; so no one has yet had an opportunity of making an assessment.

I will speak to the item, Mr. Speaker. I listened to the member for Rainy River saying

this government, along with the federal government, was in a deficit budget position and that we were contributing to inflation as a result of that. I recall he accused this government and the federal government of exactly that. He no more than finished saying that than he immediately started to tell us how we should enlarge the spending program of government in this province.

I realize the simplest thing to do when one is in opposition is constantly to accuse the government of not expanding, developing and increasing the programs of expenditure. It is very simple. I sit through estimates and I hear the same thing, but I seldom hear anyone in the opposition indicate to the government realistic areas where they would have meaningful application to the overall expenditure of government, meaningful application to decreases in expenditure. I listen and I observe exactly what is being said.

We heard this afternoon about the availability and the affordability of housing both from an ownership position and a rental position. We have heard for many weeks now that we should discuss a thing known as averages. The member from Etobicoke (Mr. Philip) mentioned it again today: the average price of a home.

I have said before in this House, and I repeat again, that I am not sure what the word "average" has to do with the housing market we are contending with in this province. It has little to do with it because, if he takes the very same listings and reviews them category by category, he will find that, in the upper price ranges of real estate transactions over the last year, there have been more and more in the very high price range of better than \$175,000 per unit. When one throws that into the hopper and says, "Now we are going to average out," it really brings little realistic values to the discussion.

5 p.m.

Mr. Philip: How many houses at \$50,000?

Hon. Mr. Bennett: I said in this House before and I repeat it for the member for Etobicoke (Mr. Philip)—and I sat quietly while he preached his sermon from the mount; so if he will just give me the opportunity, I will try to take about the same amount of time as he did—when we get into averages, I want to use the thing that is most practical in life and that we seem to relate to in every age group, and that is automobiles.

If one takes an Oldsmobile, a Chrysler New Yorker and we add into that a Rolls-Royce, a Volkswagen and so on, and go down the line

with some very exotic cars and find out what the average is, it has no more application in cars than it does in housing, not one bit.

We are dealing with the value or the price range of homes that are available. Obviously, if one has read the multiple listing service listings and a great number of other things Royal Trust and the Guaranty Trust and others have put out in their brochures, one will find very specifically categorized the value of the homes that were sold and how many there were in a particular price range, not by averaging, but specific price ranges.

I say that in this community there is an availability of housing. I would be less than realistic if I believed that everyone of an average income, as the leader of the third party has already said, could afford to buy in the downtown Toronto area.

On the other hand, I want to assure this House, and indeed this province, that not all of the policies, not all of the price ranges, start and stop with Metropolitan Toronto, or the downtown area of this community. Let us move out and away from Metro Toronto—and I am sure that the member for Etobicoke, the member for Rainy River and others have looked at the situation we have in the marketplace in Ontario today.

If we look at housing prices and where they have gone from and to, over the last five years, while the average inflation from 1976 to 1980 was roughly nine per cent per annum, housing prices in the following communities averaged the following increases over that very same period of time—

Mr. Breaugh: Oh, now you are using averages.

Hon. Mr. Bennett: I am using averages in relationship to price increases.

Mr. Breaugh: I see. Now they are legitimized, let's hear them.

Hon. Mr. Bennett: Well, I can become specific on the individual properties, as the member knows, but the fact is that we have the overall price increases that we have experienced in those communities.

In Hamilton, it went up five per cent over that same period of time. I am talking about the average increase over a five-year period, rather than trying to be specific in 1976 to 1978, because obviously the increase in any one year could not have been very substantially more than five per cent or the average would have been more.

Hamilton was five per cent; Kitchener was seven per cent; London was six per cent. I mentioned to the member for London Centre (Mr. Peterson) about the average increase in his community over the last few years. The average in Oshawa was three per cent, and I am sure the member for Oshawa (Mr. Breaugh) can attest to what has happened in his community because of an oversupply of units in certain areas.

Ottawa was up four per cent; Sudbury was up five per cent and Toronto, excluding the downtown core area, had an increase of six per cent.

As I say, that is taken across the board on the various price levels of units that we have been dealing with.

Again, let me come back to the subject that is most important today, the interest rates we are experiencing in Canada as far as mortgages are concerned. I suppose we could also talk about the interest rates that Canadians are experiencing on their personal savings accounts in banks which have also escalated at the same time as mortgage rates and other interest charges have moved along the way. But those are not to be discussed; we are only going to discuss the fact of interest on housing.

I do not think there is anyone in this province—banker, politician or consumer—who really enjoys seeing the interest rate rise to the position it has in the real estate market of Ontario at this time, 18.5 per cent and 19 per cent. But if we talk about deficit budgeting and then we talk about the government getting involved in some way to cushion interest rates, I only have to say that it is inflation chasing inflation, because that happens to be very clearly part of the inflationary spiral that will take place if governments federally and provincially try to subsidize, support or cushion the interest factor.

If I correctly read the motion today, not only does it relate to mortgages but also it goes considerably further afield into the farms and the business and small business communities.

Frankly, I have not suggested to our government, nor do I intend to, that we should get into an overall general subsidy of interest rates at this time in relation to mortgages. I do agree with the member for Rainy River that governments at the federal and provincial level have a responsibility to curb their deficit spending and to tailor their program. Some day, I suppose, realism will come about for those purchasing homes. I say that as criticism of government, because I did listen to the assisted home ownership program discussion by the leader of

the new Liberal Party in Toronto today. He mentioned that AHOP was a great program that the federal and provincial government got involved in back seven, eight, nine years ago. It was a great program, I do not think anybody will deny that, save and except that the shock waves set in upon the first renewal of the mortgage.

People had been protected against the high interest rate of the day, had been offered an incentive by the federal and provincial governments to write down the interest rate by 1.5 per cent or two per cent, and then upon renewal, of course, the interest rate was about double what they originally took the AHOP home for. Some of those people, unfortunately, and we have read about them in the newspapers, have had to walk away from their units, because it is not within their financial capabilities to continue to carry them. I suppose if reality had been used in the first place, in some cases it might have been obvious five years ago that they were not capable of carrying those particular units, but because of government incentives and grants they were encouraged to get into that area.

I want to compliment—and seldom do I do it but today I think it is appropriate—the federal Minister of Public Works, Mr. Cosgrove, because I think he indicated clearly back on March 23 that there will be some difficulties for a very small group of people in AHOP homes where the gross debt service on their homes will exceed 30 per cent. He has offered a new program for this year to allow up to an additional \$1,500 to help those individuals retain ownership of their property. He says there will be some 3,000 across all of Canada, which will be about a \$1.3 million expense to the federal government. I compliment him in trying to afford those 3,000 families the opportunity of staying in their particular units.

Let me talk for a moment about the default rate in personal real estate in Ontario today. Very few financial institutions and mortgage insurance companies want to get quoted in that particular area—I am not quite sure why—but they give some information without naming their particular firms. We understand, according to those documents, that less than one per cent of the units up for renewal have actually come back in a default position. Indeed, I am told that the mortgage companies—again I think through a certain degree of understanding, a certain opportunity to meet with provincial and federal ministers—that are in the renewal business at the moment, where they are renewing a client, are offering mortgages at

something between a quarter and a half of one per cent less than the market position at the moment. So it is easy for us to sit and be critical of the private sector, but in this particular case the private sector, in a great number of instances, happens to be lending out the money of some rather senior people in this province, who have deposited with the trust companies and mortgage companies and are anticipating a good return equal to what everybody else is getting in the marketplace.

Ms. Copps: Like the people in Astra Trust.

Hon. Mr. Bennett: I am not discussing Astra Trust this afternoon. I realize the member for Hamilton Centre has trouble keeping track of the subject at hand, but I will try to.

Let me go back just for a moment to what the member for Etobicoke was saying about what has caused some of the problems we are experiencing in housing. Certainly, we have had a very hot market in a lot of communities. I cannot altogether trace the origin of it. But in a relatively short period of time it took off and a lot of people got into it—I say to the member for Etobicoke—on a speculative basis.

But I do not buy the fact that this government should get involved in trying to bring into being something known as speculation tax, because our federal friends designed that many years ago, when it was known as capital gains. One is required to live in a unit for X number of days before one can claim it as the principal residence and avoid paying capital gains on a resale. Most of the people I understood to be trying to do some speculation, I have to say, were not in the single-family owner-occupied home; it was more in Bloor Street or in the Queen's Park Place condominium we have over here at Wellesley and Bay Street. They were in that speculation market, which really did not touch anywhere close to the average income earner in any way, shape or form. But I do agree it is well to have a capital gains tax to try to curb, if possible, some of that heavy speculation.

5:10 p.m.

Let me go back to another point that was raised about an area which Mr. Cosgrove has already taken some recognition of, and we will. We keep analysing what portion of the 200,000 mortgages will be renewed in the current year—out of approximately 1.3 million mortgages in existence in Ontario, about 200,000 to 230,000 will be renewed in the current year. We know that if interest rates were 15 per cent, about nine per cent of those people would spend

better than 30 per cent of their gross income to maintain their residences, and their gross debt service charge would be in excess of 30 per cent.

At 17 per cent, it goes to 22,000, which is 10 per cent; and at 19 per cent it rises to 25,000, which is 11 per cent. I suppose if there is an area where governments have to zero in and have a very specific study and review and try to find some way, not singularly—I think the private sector has a responsibility to participate with government as well—that is the area in which our chances of finding some solutions federally and provincially must rest, not on a very general and overall position.

Let me touch on the rental situation because it was talked about as part of the overall program we are dealing with today. We have recognized in this province—the federal government has not—that there will be a shortcoming in rental accommodation, and we did move to try to find a program somewhat along the same line as the old assisted rental program that was federally and provincially participated in for about four or five years and brought a fair number of units on stream over a relatively short period of time. It was a good program because it had to be or it would not have had the participation in the industry that it had, not only in this province but across Canada.

A year ago, when I started talking to Mr. Cosgrove about trying to find something that would replace ARP, I met with a closed-door attitude. First of all, he said there was not a shortage of rental accommodation and I could not prove there was; and then he said it was not logical that we should move into this area as long as there was rent control or rent review, as the private sector would do it on its own regardless, because they would get their just rewards in the appreciated value of the units they would build.

Time went by and development organizations such as the Housing and Urban Development Association of Canada, the Urban Development Institute and the Canadian Institute of Public Real Estate Companies all came in to have discussions with us—and they had them with the federal government as well—to indicate the downside position they were experiencing in trying to build rental accommodation. After many months of discussion, with the help of the Ontario Mortgage Corporation and the mortgage insurance companies, the mortgage companies and the developers themselves, the organizations and people in the private sector who deal with the construction of units, met

with the minister and we reviewed the matter at great length and came to the opinion—and I say to the member for Etobicoke and the members for Metropolitan Toronto in particular—that this likely was the most hard-hit area for rental accommodation in a middle and lower income factor.

So we brought in the Ontario rental construction loan program. Some would say it could have been greater. Any program from government could be greater, I am sure. The thing we are challenged with is a responsibility in trying to provide the units at the least possible cost to the taxpayers and the least detrimental position to the budget and long-term financing of this province.

I recall many hours of discussion with Mr. Shiff, who has been quoted in this House by members of all parties. I discussed with him what it would take to get his developments under way. I talked to the others, as I have already indicated. Canada Mortgage and Housing Corporation was consulted because it had to be involved in some way, shape or form when we designed these programs, because the insurance portion would likely fall to it over time.

In the original instance we offered \$4,200 per unit, principal and interest free, repayable over a period of the last 15 years of the mortgage. It was based on the fact that we would be involved in the opening rents in the middle and lower income group, that we would have 15 per cent of the units that would be provided for rent supplement. We thought the program was worth while, and it must have been because we started out with 10,000 units and within a relatively short period of time better than 10,000 had been applied for, and we expanded the program to go to 15,000 units.

Over the next period of time, as the members all know, interest rates started to rise rather quickly. I say to the member for Etobicoke that when they started doing all of their cost factors in building these units and their cash flow positions on particular units, they started to find that as the interest rate climbed the cash flow position and the deficit factor increased substantially to the point where even the mortgage insurance companies were becoming somewhat concerned about their ability to offer an insurance program.

Over the last few weeks we have continued to meet with the organizations and we have now arrived at an agreement that I think will enable all 15,000 units to go under construction. I

cannot say that they are all going to start tomorrow by any stretch of the imagination, because I am in the position—

Mr. Philip: Not one in Metro has started. How long does it take?

Hon. Mr. Bennett: Will the member for Etobicoke just sit and be patient? We listen to him as patiently as possible.

Mr. Laughren: The minister should not preach to us; he should just get on with it. He is part of the problem. He should just get on with it and stop sermonizing. We do not need him to tell us that.

Hon. Mr. Bennett: The lecture by the member for Nickel Belt does not add a great deal in the House this afternoon either.

Mr. Laughren: Mr. Speaker, I have not been lecturing.

Hon. Mr. Bennett: That is just what he was doing.

The Deputy Speaker: Bearing on this debate, Mr. Minister.

Hon. Mr. Bennett: I was saying we had looked at the program. We will be enhancing the program to the development industry and to those owners and so on who will develop rental accommodation across Ontario. The new program will give to the development \$6,000, principal and interest free, along the same lines as we had developed it originally. Indeed, we will move the rental supplement program from 15 to 20 per cent. The interest rate is calculated on an interest rate factor of 18.5 per cent—

Mr. Philip: That only shows that the minister's program was a failure in the first place.

Hon. Mr. Bennett: No, it does not. The member for Etobicoke would be the greatest giveaway artist. He would pay little or no heed to anything that goes on or to any advice given to him by the financial institutions. He would just go about it in his own interesting way. We were very strongly advised on why we should do the original program, and we did it. Four or five months ago no one would ever have predicted that interest rates would rise from 14.75 per cent to something close to 19 per cent at this time. No one would have predicted it, and the member opposite should not tell me he was the genius who would have predicted it, because he would not have.

Mr. Philip: No, I read the Financial Post.

Hon. Mr. Bennett: The Financial Post was taking a flyer at it, and they admit that they were not positive in any way, any more than any of the other financial institutions were.

I think our program today will afford an opportunity to get all 15,000 units under construction in the various parts of Ontario. While some developers were holding back because of the problems they were experiencing with interest rates—as I openly admitted in this House some time ago—I have been given assurance by those who have made applications that with the new program they can get them under development very quickly.

I want to say “under development” because I do not have the control as the minister, and the member for Etobicoke will know that, to secure site plan approval and building permits. That is something that still has to come through the municipalities; that is their freedom and their right. As soon as those are given I trust the units will find their way on to the market in a relatively short period of time.

The marketplace at the moment is not the most buoyant one by any stretch of the imagination. I have talked to the development industry in the last few days—

Mr. Laughren: You must be proud of it.

Hon. Mr. Bennett: The member for Nickel Belt says, “You must be proud of it.” I would suggest to him very strongly that it is a system over which this government has very little control. Indeed, I might even go so far—

Mr. MacDonald: Why does the minister support it so much?

Hon. Mr. Bennett: The member for York South knows very well that interest rates do not start and stop at the Legislative Assembly of Ontario. If he does not know that then I suggest he listen to the Treasurer (Mr. F. S. Miller) a little more closely. Indeed, he says it is our economic situation.

I suppose that if we had full control over the setting of rates it would be a rather interesting country of 10 provinces all going off in their own direction in the financial area of setting rates. I said earlier that there is no one in this House, no one in the industry and no one among the consumers who really enjoys high interest rates, but it is something we are experiencing.

Some rationalizations have been made this afternoon as to why the interest rate happens to be where it is. Some of the rationalization, I suppose, is absolutely correct, because, if the Canadian interest rate were less than it is now and less than the American rate, we would find an outflow of cash that would have even further

detrimental effects on trying to provide financial support for industries, for home buyers, for the mortgage industry and so on.

5:20 p.m.

I said in my opening remarks that in the building industry at the moment things have cooled considerably. I talked to Bramalea Construction today and they gave me a rather interesting statistic. In the last two-week period, from a substantial development firm in our province, sales have cooled to the point they are virtually nil. As a result of a number of units being on the market and a number of people having surplus funds and wanting to put them into mortgage funding, that might have some impact from the private sector. It might show some decrease in the interest we will be experiencing in the mortgage world over the next period of time.

Mr. Laughren: The Speaker is laughing at you. Not even he believes you.

Hon. Mr. Bennett: No, he is laughing at you, I am sure.

In conclusion, my ministry has continued to review and analyse programs, to meet with the private sector and to meet with government at the federal level in hopes that we can try to stabilize the market position.

I sit in the minister's chair and I hear people from the political world telling me we should not interfere or distort the private market. I listen to the private sector telling me government interferes too greatly on occasion. I take a lot of it to heart. I sincerely believe that government has interfered. Perhaps some of the problems we have experienced in high interest rates—which are a shock to people—have been a result of some of the government programs, federally and provincially, that have not been as well thought out as they might have been.

At this time when deficits are high and when we are all experiencing some increase in income, both personally and in the general economy of this province, one of the realities we will have to live with is the higher interest rates we are paying for money. This is true not only for individuals but for corporations, unions and pension funds. I suppose if one looks down the road in relationship to those, there are some substantial benefits that flow back to their members as a result of the interest rates we are experiencing.

Mr. Ruston: Mr. Speaker, we did not have arrangements made for the time so I wonder if the member for York South (Mr. MacDonald)

could make his speech and we will take the balance of the time, if that is all right. Is that agreeable?

Hon. Mr. Bennett: If that is the arrangement to be made, then the balance of time between now and 5:50 p.m. should be divided three ways. We each have had two speakers and if the two opposition parties are going to divide the time there should be some left for the government as well.

Mr. Cooke: You have taken your time.

Hon. Mr. Bennett: Mr. Speaker, I would like you to check the record as to who spoke for what period of time so it may be recorded for the House.

The Deputy Speaker: The member for Essex North has withdrawn his proposal. We will continue with the rotation.

Mr. Stokes: It is not the responsibility of the chair to allocate time. That is the responsibility of the House leaders.

Hon. Mr. Bennett: I don't disagree with you. That is the deal he was offering.

Mr. McGuigan: We are not going through with that deal, Mr. Speaker, so I would appreciate the opportunity to carry on for my party.

I am pleased to take part in this motion of no confidence. Most of my remarks will be addressed to the agricultural problems we have in Ontario at the present time. Our agricultural critic is not here today—and we have to keep the food going.

Where are we in this economic situation? Other members have touched on it. We are following the policies of Milton Friedman in the United States. These policies are being followed in the United States, in the British Isles and to a lesser extent in Canada. Professor Friedman says, casting all other economic theories aside, whether it is cost push or demand pull or whatever, it is simply the money supply. The economy is regulated by the amount of money that is made available.

But where do we get the \$200 billion required to put into energy systems, into pipelines, wells and the systems for extracting energy from the Arctic areas? Where do we get the \$60 billion to \$80 billion needed in the automotive industry to transform it so it can compete with and stave off the efforts of the Europeans and the Japanese?

He says: "Do not worry about the Japanese, just buy their cars. Do not try to make any cars in this country. Buy the Japanese cars." What do we then do with all those auto workers? What happens to them? We certainly cannot employ

them all in agriculture, forests or mines. Those industries are becoming mechanized. Those proposals may be great in theory but they have a lot of practical problems.

We are facing the same problems in our agricultural industry because it too has become highly capital intensive. To create a job on a farm today takes between \$300,000 and \$400,000. I am talking mainly about the owner, because most of our workers are owner-operators. In industry that figure varies from one industry to another. Perhaps a median figure would be \$50,000 to create a job.

One can see the terrible time farmers are now having trying to cope with interest rates which in some cases run as high as 22 per cent. People listened to a report put out by this government in 1969 called the Challenge of Abundance: The Report of a Special Committee on Farm Income in Ontario. It has been the public policy of this province ever since to reduce the number of farmers, to try to get rid of those excess people. They said: "There are too many people in agriculture. We do not have jobs for all these people so we will get rid of some of them." We have gotten rid of about half of them over the last 20 years.

The opposite side to that is it is enlarging the farm which is becoming more mechanized and more capital intensive. These people fell for it after listening to the advisory people from the government, to the bankers and to the Ontario Minister of Agriculture and Food making speeches around the province telling us what great and wonderful opportunities we had.

They bought their neighbour's farm. They put up new intensive hog operations. They went into poultry production or whatever. They took on debts at six, seven, eight or nine per cent interest. Now they find themselves up against demand notes of 20 per cent to 25 per cent.

The banker comes to a farm and makes a deal. In many cases he offers, "Sign a mortgage with us and we will give you the money." The farmer signs the mortgage but the banker does not give the money. They send the bailiff out in a day or two to take the farm away. It is happening mainly in the livestock industry among the hog and cattle producers. Cattle producers have not made any money for 60 months. The hog producers have not made any money for 34 months.

With every animal he sells, he sells a piece of his farm. Some of his equity is going with that animal. We finally got the present Minister of Agriculture and Food (Mr. Henderson) very

reluctantly—he only put his toe in the water—to say, “We should go to supply management in the hog system.”

I am not convinced we should go to supply management because it has some drawbacks. We would have to cut our production by 17 per cent just to remain where we are. Seventeen per cent of our hogs go to the United States; a few go to Japan. To make some shortage in the market to raise the prices, we would have to cut production another 10 or 15 per cent. We are talking of cutting production up to 30 per cent, which would mean all sorts of problems with empty barns and the cost of those empty barns.

People in agriculture today are looking down the road. They hear all this talk about the supply management system coming in for hogs and they think, “I have to stay with it to get my quota.” There are a few other people who have other sources of income, perhaps even farm income because some other part of their enterprise is making money. They look down the road and say, “Quotas are coming and, therefore, I should increase my production.” When I asked the Minister of Agriculture and Food about making a statement and laying down the basis on which we would decide who gets a quota and how much, so these people who should go out of production and those people who are planning production should not go ahead with it, he gave me a lecture on the evils of supply management.

5:30 p.m.

I was not suggesting to him that we go into supply management. I was suggesting there were a lot of people in the industry looking to that, and the very man who had made a statement that he thought supply management was the answer came across with arguments that I thought were telling me about the evils of supply management.

We look at the cash crop farming in Ontario. These people are not in as bad shape as the livestock people.

Mr. Ruston: Yet.

Mr. McGuigan: Yet. That is the answer. When I was travelling from farm to farm during the election, I was in the farm yard of an older farmer. He had a very modest operation. He had just bought a new grain drill. It was not a large one. I can picture it in my mind now. It was about a 13 tube grain drill, or perhaps even a 15 tube, but that is a very modest piece of equipment. About 20 years ago one would buy it for about \$300 to \$400. He had just bought this brand new grain drill for \$6,000.

It was interesting to note that pulling the grain drill was a 30-year-old tractor. He was not an extravagant farmer. He was operating with very modest equipment, but he did need a good grain drill to get the seed in the ground and the fertilizer placed properly to have a good crop. That very modest grain drill cost him \$6,000 and that is the type of thing facing the grain people.

As an aside to this motion of no confidence, the government has not heard very much from the grain people but if they took a trip through the counties of Kent and Essex right now they would see the disaster we have on our hands in the way of excess moisture. There are fields that are absolutely flooded. There was water standing on those fields today. Some of them have been planted for the second and third time. I would say they would have to be planted a fourth time if they have a crop at all.

They are going to start hearing from some of these people. They have been very modest in their demands, but any of the members who were at the meeting of the Ontario Federation of Agriculture a couple of weeks ago at the Constellation Hotel would know that these farmers have been pretty docile as far as taking militant action, but if members listen to those people cry their hearts out and tell their stories they will know there are problems brewing out there in the country.

I have read newspaper accounts of people who are saying they are going to defend their farms with their lives when and if a bailiff comes. I would not want to give them any encouragement in taking such action. We must maintain the integrity of our system. If we borrow money we are supposed to pay it back. Nevertheless, it is an indication of the frustration and feelings that these people have at how let down they feel by governments.

I acknowledge it is not all the fault of this provincial government. These high interest rate policies are set in Ottawa, Washington, in London, England, and throughout the financial world. Nevertheless, this province owes something to the people who have given it so much in the way of food, in the way of saving and in the way of social values. These people see these social values going down the drain as their communities are disrupted.

I say to the Minister of Agriculture and Food and to the Treasurer (Mr. F. S. Miller)—

Mr. McKessock: Where are they?

Mr. Ruston: They are not here today.

Mr. Jones: They are working.

Mr. McGuigan: They will read it in Hansard.

Mr. Ruston: Let the record show they are not here.

Mr. McGuigan: I say to the people who extract a good deal of money from agriculture that they extract between \$300 million and \$400 million from the tobacco industry, which is one of our highly taxed industries, and yet the total budget for the Ministry of Agriculture and Food is only \$191 million.

The minister takes a great deal of pride in pointing out that about half of that \$191 million goes back in direct payments to agriculture. It does, but I point out that a good deal of that money should never have been taxed in the first place. The government now has acknowledged the money that comes from tax rebate should not have been taken in the first place. In the budget they are proposing that the tax assessment should be taken off farm land and buildings and that all the taxes be placed on the house. So the money that comes back is money that should not have been taxed in the first place.

I do not have a figure on it, but a lot of money comes back from the agricultural experimental stations. Gone is the day when such activity would involve feeding four steers in a pen as an experiment. Today one would feed 100, and those 100 animals might cost \$400 apiece. When they are sold, they return \$700 to \$800 apiece, and that money goes back into consolidated revenue. It does not go back into the treasury of the experimental station to be used for other purposes. I wish to know how many millions of dollars go back to the Treasurer. That figure of \$191 million is a good deal less than that final figure.

To outline how difficult a problem this is for farmers today, I think most members realize the average return in North America for the equity in farm land in good times is about five per cent. Of course, there are farmers who beat that, and there are others who get much less than that. But if one takes five per cent as an average and looks at the people who are paying 22 per cent interest on their money, he can see that if they have a debt a shade over 25 per cent they are working for absolutely nothing. There is nothing there for themselves, for their wives, for their families, for the future. All of that money is going to paying off the cost of interest.

Any farmer today who has a debt load greater than 25 per cent of his equity—and there are many in that boat and getting to be more—as he gets farther and farther behind as he goes farther and farther down the road, is in a situation where it is impossible to catch up.

Other speakers want to get on; so I am going

to close. But this government owes a debt to the people who have raised agricultural labour productivity higher than any other sector in our economy. Over the last number of years, labour productivity in farming has gone up by four to 4.5 per cent a year. Other industries have gone up, at best, by 2.5 per cent. If one traces it back, he will find there are years when there was no increase in productivity. We have had a steady productivity increase of around four per cent in agriculture.

Today, when we are in trouble in this industry, we need a little return on the investment this industry has made in the province. I hope the Treasurer will act swiftly and do something with the promise he has of \$50 million to \$100 million.

I take great pleasure in joining with those other members of this House—and I hope from all sides of the House—in showing that this government does not have, and does not deserve, the confidence of the people, and especially the farmers, of the province.

Mr. MacDonald: Mr. Speaker, the longer this debate goes on, the more I am puzzled. The Liberal Party brings in a want of confidence motion which presumably is a serious challenge to the government. Two thirds of their members have not been around most of the afternoon—it is near voting time; they are coming in now—the second speaker gets up and chastises the first speaker from the government side about not dealing with interest rates, which was the specific point of the resolution, and the speaker from the Liberal Party who has just sat down, at best, had remarks that were peripherally related to the whole interest rate problem.

5:40 p.m.

I am going to take the advice of the member for Rainy River (Mr. T. P. Reid) and speak directly to the motion. I think it is a motion that is worthy of support even if the Liberals, by their actions rather than by their words, do not.

Let me begin with the Minister of Housing (Mr. Bennett), who by mistake is on this side of the House for a moment. This afternoon he made a comment, and I want to start with it. He said: "The responsibility for escalating interest rates rests not with this government. The Liberal Party in Ottawa created all the problems." Okay, marginally I might argue with him, but for purposes of this debate he is dead right: Ottawa created the problems. But it is the responsibility of a provincial government to cushion the impact where it hits hardest, and

that is where this government has failed totally and, therefore, this vote on the no-confidence motion is justified.

Let me take the specifics, if I may, of farm policy. I thought the member for Kent-Elgin (Mr. McGuigan), who has just sat down, was going to steal all of my comments this afternoon, but he did not steal them. In his best philosopher's fashion he wandered around a half a dozen topics and did not get to the specifics. Let us get to the specifics.

A year ago, this government professed that they were concerned about interest rates. What did they do? They allocated \$25 million to subsidize interest rates to at least cushion them as far as the farmers were concerned. Let me say that \$25 million is a peanut operation in terms of what is needed. Quebec, with half as many farmers, has spent \$69 million in this past year to subsidize interest rates. It is a peanut operation in which this government has indulged.

It shows cynicism and colossal effrontery that they should allocate \$25 million as they are heading towards an election when they are seeking farm votes and then, as soon as the reality of March 19 became acknowledged, they cancelled the program when only \$5 million of the \$25 million had been spent; they wiped out the \$20 million that had not yet been spent. It was inadequate to meet the need, but at least it would have been a gesture that they had integrity in their policy. At least it would have been a gesture that they were willing to live up to the promise. But they wiped out the promise right after the election was over.

Let me move to something that is related, though not directly, to interest rates. I agree with members on the other side of the House when they contend that interest rates are not the whole problem. There are other aspects and policies that should be related to it.

Let me come to the second one in the government's program. Away back in 1975, as this government became aware of the fact that everybody was concerned about the problems of young farmers being able to move into the industry, they decided they would assist young farmers. They were not going to give them a grant; they were just going to guarantee a loan so that if they needed the money they could go to the bank and it would be guaranteed and they would be able to get it from that Scrooge on the other side of the table, the bank manager.

The government introduced what was known as the Ontario young farmers' credit program, which was to guarantee loans up to \$25 million.

That was in 1975. Now it is 1981, six years have gone by and how many loans have been guaranteed? Eight million dollars. The program is ineffective. I do not know why it is not effective, because I know there are young farmers out there who need the money. But something in the administration of the program or its promotion or something is not effective, because in six years they have lent only \$8 million of the \$25 million which they said they were going to guarantee.

Let me move to a third area. If they want to help farmers and if they want to argue, as the Treasurer (Mr. F. S. Miller) does and as the Minister of Agriculture and Food (Mr. Henderson) does, that interest rates are not the whole problem—agreed, they are not the whole problem—then what they want is a comprehensive agricultural program that is going to give the farmers the kind of backup that the basic industry, the primary industry in this province is entitled to. But they are not doing it. They have brought in a budget this year with \$191 million for the 77,000 farmers in Ontario. To give some idea of how inadequate it is, take a look at Quebec, which has 43,000 farmers and a budget of \$342 million. So Quebec, with half as many farmers, has a budget that is twice as big as we have here.

Mr. Rotenberg: How much comes from the feds?

Mr. MacDonald: Never mind how much comes from the feds. Look, the member talks about the legitimacy of the equalization programs. If Quebec gets that money from Ottawa because of its standards and the operation of equalization, then he should do not go after Quebec in his fundamentally subterranean anti-French-Canadian and anti-Quebec approach. Let him go after Manitoba, which is getting money from the federal government that comes from Ontario. Let him go after Nova Scotia, with its Tory government, which is getting money that is coming from Ontario. He should not just go after Quebec—

Mr. Speaker: Mr. MacDonald, will you direct your remarks to the motion, please?

Mr. MacDonald: All right, Mr. Speaker—

Mr. Speaker: Speak to me.

Mr. MacDonald: I will try to avoid the interjections, but those interjections are so hoary and well worn that I thought it was time somebody answered them, because that is the answer one always gets from the other side of the House.

If the government had continued to spend at least the money it allocated before the election, at least it would have cushioned something of the impact of interest rates. If the government had an effective guaranteed loan program so that in eight years something more had been made available than one third of what it had guaranteed in 1975, then it might be worthy of confidence. If the government had an agricultural policy in which it was going to provide adequate amounts to sustain the industry along the lines that all other provinces were doing, then it would be worthy of confidence. But the government is not willing to do those things.

The most shocking aspect of it all is that the farmers and the people on behalf of the farmers have been coming to this government and pleading with them for three or four months. The Ontario Federation of Agriculture, as I pointed out, came in with a program that was effective, practical, prioritized—everything the government wanted—and yet after three or four months they got no action at all, not even a response to those specific proposals.

When the farmers a thousand strong, men and women, came into a hotel meeting in the Constellation a week or so ago, what did the Premier (Mr. Davis) do? He came down to lecture them: "Give us some practical proposals." He had had them for two months. What did the Minister of Agriculture and Food do? He came in and said nothing. He just escalated his war with Ottawa with regard to stabilization programs. What did the Treasurer do? He came in and teased them: "I think we should have an answer to this problem," said he, "in two or three weeks."

Interjections.

Mr. Stokes: Mr. Speaker, I wonder if you could remind the cabinet that they meet on Wednesday, not on Monday afternoon.

Mr. Speaker: Order.

Mr. MacDonald: A few days afterward, when the press was badgering him, asking "What do you mean by your answer?" at that stage he said, "There is \$50 million to \$100 million available."

How can this government claim that the farmers should have any confidence in them with that kind of record? Why should we not support a resolution, even though the Liberals are not very enthusiastic about voting no confidence in the government?

Mr. Speaker: Mr. MacDonald, I direct your attention to the clock.

5:55 p.m.

The House divided on Mr. Smith's motion, which was negatived on the following vote:

Ayes

Boudria, Bradley, Breaugh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Epp, Grande, Haggerty, Johnston, R. F., Kerrio, Laughren, MacDonald, Mackenzie, Mancini, Martel, McClellan, McGuigan, McKessock, Miller, G. I., Newman, Nixon, O'Neil, Peterson, Philip, Reid, T. P., Renwick, Ruston, Samis, Smith, Spensieri, Stokes, Van Horne, Wrye.

Nays

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kells, Kennedy, Kerr, Kolin, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Ayes 41; nays 66.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, during the business statement last week I indicated we would add to it this week as things have been decided. It has now been decided the House will meet on Wednesday afternoon and consider legislation. On Thursday afternoon legislation will be considered rather than private members' hour. We will follow roughly the order of legislation that was announced for this week.

NOTICE OF DISSATISFACTION

Mr. Speaker: Pursuant to standing order 28, the member for Parkdale (Mr. Ruprecht) has given notice of his dissatisfaction with the answer to his question given by the Minister of Housing (Mr. Bennett) concerning units approved under the Ontario rental construction loan program in Metropolitan Toronto. This matter will be debated at 10:30 p.m. on Tuesday, June 23, 1981.

The House recessed at 6:01 p.m.

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Ontario, LEGISLATIVE ASSEMBLY

No. 55

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Monday, June 22, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Monday, June 22, 1981

The House resumed at 8 p.m.

GASOLINE TAX AMENDMENT ACT

(continued)

Ms. Copps: Mr. Speaker, as some of the members may recall, at the time the debate was adjourned we had just started into the speech made by the Treasurer (Mr. F. S. Miller) to the Men's Canadian Club of Ottawa. Although that speech was rather well dissected by the member for Ottawa East (Mr. Roy), there were certain salient points he left out and I would like to bring them to the attention of this House. He did mention that the government is trumpeting the second lowest tax rate in this country. We all know that is when the rates we presently pay for OHIP premiums are not included, which bring us up to number one position across the country.

I would like to talk a little about the Treasurer's comments to the Men's Canadian Club of Ottawa. He talks specifically about the ad valorem tax increase. He says: "We have been accused of cashing in on oil price increases because under our new indexed price system we will benefit from price increases for oil. Quite simply, the cost of government justifies an increase and with inflation, unit prices were not working well."

Here we have a minister of the crown explaining that the reason he is bringing in this very inflationary tax is because the government has not been able to balance its budget because of inflation. We have a problem of inflation already. He is bringing in an ad valorem gas tax, which is an inflationary technique, and he justifies it by saying that the government cannot cope with inflation. I say this is a catch-22 argument and the minister could have chosen many other ways to cope with his inflationary problems that have been created by the very government he purports to represent.

Likewise, he talks about the situation in the United States: "A person in the US whose income did not go up as fast as inflation found his or her taxes going up in actual dollars paid. We in Canada did the opposite, indexing the tax rate as incomes were raised to match inflation. As a result, revenues for the provinces do not go up as quickly as inflation, yet costs often do, and

to meet them I have to stand up and announce periodically that I am raising taxes."

Heaven forbid that he should have to stand up and announce that he is raising taxes. I was under the impression the reason we people were elected to the Legislature was so that we would stand up once in a while and say what we were going to do rather than hiding it in the insidious form of a tax increase that merely takes advantage of inflation. Here we have the very minister whose remarks imply that he does not like to stand up and say he has to raise taxes. Nobody likes to stand up and say he has to raise taxes. In this case, we have a government that lacks the guts to do so and instead has chosen this form of taxation so that the average taxpayer will not know that this government has chosen to profit from inflation.

Then the Treasurer goes on to say, and I find this rather questionable to say the least, "It may not be as popular a method as President Reagan's but I believe it is more honest and fair to the taxpayer." What is honest and what is fair about an ad valorem tax which permits the government to raise taxes without actually standing up in the House and telling this Legislature what it intends to do to accrue the funds and what it intends to do with the money it is getting?

This is a very unfair form of taxation. For the minister to say it is not a popular form of taxation—it is a hidden form of taxation. It is a form of taxation against which the people of this province have no recourse. If this government had to stand up in the House every year over the next four years and say, "Yes, we are going to raise the taxes," the people of this province would know what it is they were voting for or against. As it is now, they do not even have the choice, because this government has chosen to build in an inflationary ad valorem tax which merely rides on the backs of the already burdened taxpayers of this province.

"As we pointed out in 1976," the Treasurer goes on, "the deficit can and should be eliminated, but it must be reduced gradually and that is what we are doing." That was 1976. This is 1981. I do not know whether five years is not gradual in government terms, but my understanding was that a previous minister had promised to balance

the budget at this time, but that promise has gone the way of the other promises that this government made to the taxpayers of Ontario prior to March 19. The moment it got its mandate it zapped them with an increase in personal income taxes, zapped them with an increase in OHIP premiums and zapped them with an increase in the ad valorem tax.

The Treasurer calls it part of his balancing act. In fact, that is a balancing act, but the only time I have ever seen a balancing act it was done by a clown in a circus. I think that reference made by the minister is a very apropos reference, because that is what he is attempting to do. He is attempting to create a balancing act which is another illusion for the people of Ontario, an illusion that this government says it is doing a good job when we all know it is not doing a good job.

Mr. Stokes: The member is calling him a dishonest clown.

Ms. Copps: I am calling him a clown who has a balancing act which is not allowing the truth to be known to the people of Ontario.

That is what the Treasurer had to say to the Men's Canadian Club. I think we can hang him with his own words. That was post election. Let us hear what the Treasurer had to say pre-election.

On February 20, speaking to the Niagara chapter of the Association of Professional Engineers of Ontario, he said: "As Treasurer of Ontario I am the person responsible for balancing the books and reducing the deficit. In that role, if I may be permitted the opportunity to crow a bit, we have been extremely successful, beyond our own expectations. I think it is wrong and ultimately self-defeating to preach or practice the economics of doom and gloom in Ontario."

I would suggest the economics of doom and gloom are just what this government has brought in with the ad valorem tax. It is certainly a woeful day for Ontario when this government has used its majority to usurp the mandate that it was given by the people of Ontario by bringing in a base of taxation which is not accountable to the taxpayers and is not accountable to the Legislature.

On April 22, 1980, in his budget speech he said: "Stability in our major tax rates is an essential part of the government's fiscal strategy. The dividend flowing from the sound fiscal management of the government of William G. Davis is that I can announce that there will be no tax increases in 1980-81."

That was terrific. In 1980 he was trumpeting the philosophy of sound fiscal management with no major tax increases, but we must remember that 1980 was the leadup year to the election. It was important for the minister and the government to let the people of Ontario know that they were going to keep the promise. They were going to keep the promise of no tax increases and sound fiscal management up until March 19. As the Premier is prone to say, "We are now experiencing the realities of March 19." Those realities are that sound fiscal management and no major tax increases have gone right out the window and are being replaced by the very kind of taxation that we see in this ad valorem tax.

I would like to continue with the Treasurer's comments. In a statement to the Canadian Manufacturers' Association on April 29, 1980, he talked about the deficit, and I quote:

"I felt comfortable in allowing this increase for a number of reasons, because we are well within the deficit reduction targets I laid out last year. In a year of sluggish, economic performance, I do not think it is inappropriate to allow some increase in the deficit"—and this is in 1980—"because the deficit is well within our capacity to finance from what we call nonpublic borrowing sources, for example, the Canada pension plan and the Ontario teachers' super-annuation fund."

I think there are many recipients of the Canada pension plan who would not exactly call that nonpublic borrowing. Nevertheless, he has announced his intention to increase the deficit because he feels it is well within our capacity to absorb in a year of sluggish economic performance. That was in 1980. In 1981, it is with that very sluggish economic performance that he justifies the need to bring in major tax increases, including the ad valorem tax increase on the people of Ontario.

8:10 p.m.

On June 2, when the minister was addressing the Automobile Dealer Associations of Ontario—obviously an association close to the minister's heart—he said, "Having gazed into my crystal ball, I can assure you auto sales in Canada are bright and prosperous."

I would say the Treasurer and this government are just using a crystal ball. They are trying to bring in new revenue sources by the kind of magic, trickery, balancing act and crystal ball they have been using over the last four years and no doubt will continue to use and abuse with their majority.

On June 23, 1980, the minister spoke to the

Meals on Wheels provincial conference and said, "The most important area that poses a major threat to the income security of our senior citizens, the number one priority for this ministry and this government in 1980"—pre election—"is coping with inflation."

If that was the number one priority for this government and this ministry in allowing seniors to cope with inflation in 1980, why is it in 1981, as soon as they get a majority, a mandate from the people of Ontario to carry out good government and to apply those principles of coping with inflation, one of the first things they do is add an inflationary tax in the form of the ad valorem tax?

I am sorry the Treasurer is not here tonight but I am sure his representatives on the other side of the House will carry our remarks to him. On November 5, 1980, he stated, "Our overall financial position"—and remember this is pre-election—"is still strong despite the slower economic conditions which have prevailed so far this year."

Why is it a mere five months before the election, a mere five months before the realities of March 19, the minister can stand in this Legislature and say our overall financial position is still strong and yet a mere five months later he feels the position is so weak he has to increase personal income tax, strike an insidious ad valorem tax and increase the Ontario health insurance plan premiums merely to make ends meet?

I can only anticipate from this that either the minister was misleading the House when he spoke on November 5, 1980, or he is misleading the House today. I would like to know what the true financial picture of this government is. Is it strong or is it weak? Do we have to dig deeper into the pockets of the taxpayers of Ontario or is our position strong enough that we would have been able to carry on without the increased ad valorem tax and the increase in personal income tax?

It upsets me a little because I have always heard people talk about how they cannot believe what politicians say. I was one of those people who did believe that when politicians spoke in the House they meant what they said.

I cannot understand why on September 4, 1980, the minister said: "Our number one concern is an adequate supply of new jobs in the right place at the right time. Our second concern is the problem of energy pricing and the third pressing problem is the need to curb inflation." The minister articulated three priori-

ties for his government. The number two and number three priorities include grappling with the problem of energy pricing and curbing inflation.

Yet one of the first things done by the new government is to increase the inflationary spiral by bringing in the ad valorem tax without even taking a look at what this government is doing or not doing in terms of energy pricing. There is no provision in the tax to allow consumers of Ontario to expect renewable resources to be available in the near future.

There is no provision for development of alternative fuel sources, renewable and nonrenewable. There is no provision for any fuel guarantee for the people of Ontario. In fact, all there is is an increase in the tax which will add to the inflationary spiral. I am getting two messages here and I want to know which message is the one this government really believes in.

On October 7, 1980, the minister stated to the Legislature, "Control of inflation is critical to economic performance." It is beyond me how a minister of the crown can stand there on October 7, 1980, before the election—we must remember that we are gearing up to the writs—and say that is his government's number one priority, when in fact the first step he takes as a minister in the new sitting of the Legislature is to increase inflation.

Mr. Stokes: If I were the member speaking now I would take exception to the fact that the member for Essex South (Mr. Mancini) is occupying the Minister of Revenue (Mr. Ashe) when she wants his undivided attention.

Ms. Copps: Very well spoken.

In 1980 the minister also stated, "I put forward three priority issues for discussion: the need to curb inflation, the resolution of the energy issue and the need for selective economic stimulation to create jobs."

I know most of the people on the government side are not very interested, because they will pass this bill regardless of what we think. But I think I am speaking for the people in my riding and many people across Ontario when I say they are not happy with this proposed tax. I ask again why the minister stood in the House on October 7, 1980, and stated, "Substantial personal and corporate tax increases are not appropriate to this recessionary period and will not contribute to national economic growth"?

The minister stands in the House on October 7, 1980, and says substantial personal tax increases are not appropriate to this recessionary period, and a mere five months later he

stands up in the House to speak in favour of those very inflationary and difficult taxes for the people of Ontario.

I might recall to mind the words of the member for Prescott-Russell (Mr. Boudria), who says he wonders whether the government had an alternative motive in the comments that were made in this Legislature last October leading up to the by-election. The minister said on October 30, 1980, "I am happy with the fact that the government"—that is, the federal government—"has chosen not to increase direct personal income taxes." He is very happy that the federal government has not chosen to increase personal income taxes, because it has allowed him the opportunity to do it himself.

But contrast that to his comment in the budget speech, his version in 1981: "The province's revenue needs are not being adequately met by our current tax structure. The inadequacy of revenue reflects, to a considerable degree, the many tax reductions implemented in recent years."

On the one hand, when the federal government introduces its budget the minister says he is very happy there is no personal tax increase; on the other hand, he decries the fact that the province's revenue needs are not being met because of the many tax reductions in recent years.

Why did the issue of tax reduction not arise before March 19? Why did the minister not trumpet it while he was on the hustings? Why did he not go to the people of Ontario, as he does to the people in this gallery, and say, "I am not happy with the many tax increases; they are cutting into our revenue resources"? Why was it not talked about during the last election?

This government does not have the integrity to talk about those kinds of things. As the minister himself said, it is very difficult and undesirable for him to stand in this House and raise taxes. He would rather do it in an indexed fashion so the people of Ontario are not aware that every time the price of oil goes up in Alberta and every time the Alberta government tries to profit in an inflationary fashion from its resource sector the government of Ontario is going to be right in there. Not only will it be right in there, but it will be profiting to a greater extent than the government of Alberta. It makes me laugh.

Si vous préférez je vais le dire en français, parce que je sais très bien que vous ne comprenez pas le français et si je parle en français, vous n'avez pas tant à dire que j'ai déjà dit cela. Alors

je vais continuer en français. Il faut que je répète tout ce que j'ai dit alors. Commençant avec ce que M. Miller a dit le 29 avril 1980 à l'Association des manufacturiers canadiens. Il dit "j'étais confortable en laissant cette augmentation. . .

Hon. Mr. Ashe: That's the third time.

Ms. Copps: Je ne fais pas de répétition. Comme vous le savez, Monsieur—

Hon. Mr. Ashe: Oh mais oui, la troisième.

Ms. Copps: Non, ce n'est pas la troisième fois. S'il peut répéter, raconter trois fois ce que j'ai dit j'aimerais bien le savoir.

Hon. Mr. Ashe: Quatrième as a matter of fact.
8:20 p.m.

Ms. Copps: Mr. Speaker, if the minister has instances of where I have spoken on this bill in a repetitive nature, I would now ask him to stand and articulate them. He cannot articulate them because it is not true.

The Deputy Speaker: I would remind the member for Hamilton Centre this is not question period. I was asking, as Speaker, if you would use your good parliamentary judgement—

Ms. Copps: I am using my parliamentary judgement in saying the government is repetitive in its hypocrisy across the province. I have to repeat what was said by some ministers on numerous occasions leading up to the last election. Again, it is the old changeover story.

Mr. Wrye: Go ahead, speak French. They don't understand.

Ms. Copps: We have talked about the budget speech in 1981 and the Treasurer's comments in contrast with 1980. I would like to talk about some of the things he said in his budget speech of 1980. One can say he is forced to respond to the Canadian Manufacturers' Association. Heaven forbid that he should go to the automobile dealer associations and say what he really thinks. So maybe he can make a case for saying something a little different outside the House than he says inside the House.

But let us go back to what he said in the budget speech of 1980, just one year before the election in which the whole story was changed: "Stability in our major tax rate is an essential part of government's fiscal strategy. The dividend flowing from a sound fiscal management of government, the government of William G. Davis, is that I can announce there will be no tax increases in 1980-81."

That was terrific. The people of Ontario received that message with joy. There was going to be no tax increase because this government—

Mr. Brandt: That was the fiscal year end.

Ms. Copps: Yes pre-election. This government felt stability in major tax rates was an essential part of its fiscal strategy. It seems to me the fiscal strategy is not relating to the fiscal plan for the 1980s but the fiscal strategy leading up to March 19, 1981. Once that strategy was achieved, sound fiscal management went right out the window and it was replaced by the ad valorem tax and personal income tax increases and OHIP premium increases.

Let us contrast the comments from the budget speech in 1980 with the comments from the budget speech of 1981. In 1980—sound fiscal management; 1980—stability in major tax rates. In 1981: "The province's revenue needs are not being adequately met by our current tax structure." That very stable tax structure in 1980 which gave the minister so much joy to announce there would be no tax increases is the same tax structure. It is this same Legislature in which this same minister says: "Our revenue needs are not being adequately met by current tax structures. The inadequacy of revenues reflect to a large extent the many tax reductions implemented in recent years."

Members may think I am being too harsh, but after all, the only quotes I have used so far are from one minister of the crown. Maybe it can be said the Treasurer is an aberration—a rarity in the Conservative Parliament. Maybe he is the only person who is a flip-flopper on tax issues, and maybe he is the only person who changes his very words and his very promise to the people of Ontario pre- and post-election. Maybe he is the only government minister who does that. Unfortunately, I had to search through my files and find out what other ministers and other members of the government were saying.

I would like to go back. We cannot blame him. In 1980 the heat was breathing down on him—

The Deputy Speaker: Ms. Copps, just to remind you, I am confident you will work in other ministers' comments in terms of the bill before us.

Ms. Copps: Everything I have said to date has related to the ad valorem tax. Every statement I have made and will make is related to the ad valorem and the basic tax structure and the change in the tax structure that this government is advocating.

It can be said that in 1980, because the government knew the election period was breathing down on it, perhaps it had to modify its position or articulate a position that was a little less harsh and a little less difficult for the taxpayers of Ontario to follow. So let us hear not only what they said in 1980, let us go back to 1977. Let us hear what the former Minister of Energy, the member for Prince Edward-Lennox (Mr. J. A. Taylor), told the Legislature on April 1, 1977—and I will make no reference to the fact that it was April Fool's Day.

Mr. Stokes: Who?

Ms. Copps: The former Minister of Energy, on April Fool's Day in 1977. I quote: "We are opposed to any increase in the price of oil and natural gas because the stated objective of this annual escalation—that of ensuring security of supply through expanded exploration and development—has not been met. We are opposed because it will create further unemployment. We are opposed because it further fuels inflation. The public is fed up and rightly so. The public is prepared to make sacrifices, but only if those sacrifices deliver results."

Mr. Sheppard: No, it is not.

Ms. Copps: I am glad the member said that, because these comments were not my comments. They were the comments of one of the ministers of the crown. So I trust the member will express his position at the next caucus meeting.

Here we have a government and a minister who have said they will not—

Mr. Brandt: What year was that again?

Ms. Copps: April 1, 1977.

Hon. Mr. Ashe: Not exactly current history.

Mr. Sheppard: What date was it? April Fool's Day?

Ms. Copps: April Fool's Day, right. The minister is stating that he and his government will not support any tax increases in the resource sector that are not tied into—

Interjections.

Ms. Copps: April Fool's Day. If the member is not familiar with that, I am surprised.

The minister and his government are opposed to any further increases in the resource sector unless they are tied to exploration of other sources of oil and gas and also because they add to inflation and stifle job creation. I would submit that the very positions articulated by the former Minister of Energy on April 1, 1977, apply to this ad valorem tax today. In fact, it is

an inflationary tax. It is a tax that is not tied to the stated objective of ensuring supply through expanded exploration, and it is a tax for a public that is fed up, and rightly so, because the stated objectives of the tax will not deliver the kinds of results the public expects in terms of resource development.

I would like to talk about what that same minister told the federal-provincial energy ministers' conference. He said: "We are opposed to increases in the price of oil." The member for Essex South (Mr. Mancini) should listen to what the people of Windsor and Essex county who suffered all those layoffs were told. "We are influenced by the expectations of the unemployed. We are influenced by the concerns of Ontarians hard pressed by persistent inflation, by the negative effect on the competitive capability of Ontario's industry and the effect on job creation of the worsened ability of industry to compete." That is the former Minister of Energy talking about increases in the price of oil.

Mr. Stokes: What is he doing now?

Ms. Copps: I do not know but he has been removed. Again, this may be the final comment that drove him out of that position. I am not sure because I was not here at the time. But on May 11, 1977, the former Minister of Energy says, and I quote, "It would be downright irresponsible to escalate prices at this stage of the economic recovery in Canada." The minister said it would be downright irresponsible, but I guess he was just waiting for the right opportunity; downright irresponsible pre-election, downright irresistible post-election.

8:30 p.m.

But it is not only the member for Prince Edward-Lennox. Let's face it, he paid his dues and his forthright and righteous comments were duly rewarded—

Mr. Stokes: He paid the price, he did not pay his dues.

Ms. Copps: He was duly rewarded, okay?

Let's hear what the Minister of Culture and Recreation (Mr. Baetz) had to say. So far, the Minister of Culture and Recreation has not gone the way of his colleague in cabinet, but I am not quite sure how he got away with some of these comments. On June 20, 1978, he said, "We have made strong representation against any price increases while the economy is soft, unemployment is high and inflation is still not under control." That was 1978. In my understanding, the inflation rate is worse than ever,

yet this government sees nothing hypocritical and nothing dishonest in introducing the kind of tax that so many ministers were quick to condemn a mere three years ago.

Interjections.

The Acting Speaker (Mr. Cousens): Order. Carry on, Ms. Copps.

Ms. Copps: Peut-être que ça serait mieux si je continue en—Excusez-moi, je vais continuer en français. Je vais continuer en français seulement pour donner un peu de différence. Il y avait un autre commentaire qui était fait par le ministre James Auld le 25 août 1978. Il dit que l'Ontario voit que l'augmentation de l'huile et du gaz naturel, qu'il n'est pas relié à notre sécurité d'approvisionnement, c'est inflationnaire, c'est contre la création d'emplois et c'est un autre facteur qui joue contre l'industrie canadienne et notre compétitivité. C'est ça qu'il a dit le ministre James Auld le 25 août 1978. Excusez-moi j'ai du mal avec les noms parce que je parle tout le temps en italien. Ça serait peut-être préférable si je parle en italien, parce qu'en français je n'ai pas beaucoup de pratique.

[Remarks in Italian]

Let's hear what the Premier (Mr. Davis) told the Ontario Progressive Conservative Campus Association. This is a very right-wing group so it is understandable that he should have to tailor his views to the likes of—

The Acting Speaker: Order. Ms. Copps, I remind you that there are two languages that can be used. The third is not allowed.

Ms. Copps: Let's hear what Davis says to the Ontario PC Campus Association.

Hon. Mr. Bennett: The Premier.

Ms. Copps: Excuse me, the member for Brampton, I think it is, isn't it?

He may even be to the left of the Ontario PC Campus Association, but I am not sure. Would members agree that the member for Brampton is probably to the left of the Ontario PC Campus Association? He said, "There is only so much you can take out of the economy by means of energy price increases before that economy begins to suffer and to suffer seriously."

Them's fightin' words spake by the member for Brampton on September 15, 1979, with respect specifically to energy price increases. Yet a mere year and a half later—and I do not know whether that was just more pre-election propaganda—we lead up to these insidious ad

valorem increases. I do not know; it is enough to discourage any new member, because one just cannot believe what people say.

Mr. Boudria: Do not be discouraged. We will cheer you up.

Ms. Copps: This is very serious business. I would like everyone to hear what the Premier said when he stood in the Legislature as the member for Brampton on October 16, 1979, and stated, as reported at page 3521 of Hansard:

"I could find no honest consensus that significant oil price increases by themselves lead effectively to reduced consumption . . . The only thing we do know is that a massive increase in the price of oil can stall economic activity and slash employment growth."

Interjection.

Ms. Copps: Excuse me, if the member wants to direct the Speaker, he probably would be better to do it in another place or to speak out a little louder.

Those words of the Premier were spoken on October 16, 1979, and again on November 12, 1979. The member for Brampton went to the first ministers' conference on oil and natural gas and took a very tough position vis-à-vis the positions already being staked out by the other ministers.

What was the member's tough position? "An excise tax increase now would not complement a rational fight against inflation. It would only make matters worse. We will remain opposed [to energy price increases] until there is a plan in place to achieve national oil self-sufficiency, avert an unnecessary recession, avert undue hardship on the consumer and support industrial development."

Mr. Stokes: Who said that?

Ms. Copps: That was said by the member for Brampton on November 12, 1979, to the first ministers' conference on oil and natural gas.

Mr. Stokes: Who is the member for Brampton?

Ms. Copps: The Premier. On November 12, 1979, the Premier told the first ministers' conference that he would only accept oil and natural gas price increases if they were tied to those factors: control of an unnecessary recession, control or aversion of undue hardship to the consumer, support of industrial development and a plan in place to achieve national oil self-sufficiency.

In this proposal to hike taxes through the ad valorem increase, there is no provision for oil or natural gas energy self-sufficiency.

We have four people now—the Treasurer, the member for Prince Edward-Lennox (Mr. J. A. Taylor), a former Minister of Energy, the member for Ottawa West (Mr. Baetz), also a former Minister of Energy, and the Premier—who are the only ones who have spoken out in such a double-talking manner in that they change their positions depending upon when the election will be held. That is only four, but we have 66 others, and I think I have most of them quoted here; so I trust the House will bear with me.

Let us hear what the other ministers have to say. Let us hear what the Minister of Energy (Mr. Welch) told the Canadian Energy Conference in Alberta: "Surely it is responsible to expect that our objective to attain energy self-sufficiency in oil as soon as possible will not be turned into a mechanism for simply expanding the cash flow of the government." That is what the Minister of Energy told the Canadian Energy Conference in Banff, Alberta: he would not use energy price increases to expand the cash flow of the government.

Contrast that with the comments made by the minister when he justified the ad valorem tax increase by saying the present tax structure did not allow them basically to profit from inflation. We have two kinds of points of view here: a pre-election point of view, a post-election point of view, a pre-budget point of view and a post-budget point of view.

It all points to one thing; it points to the fact we have a government that tells one thing to the voters simply to achieve a goal. The strategy is not fiscal responsibility; the strategy is re-election. I think the fact that the ad valorem tax increase was brought in in such an insidious way so soon after a mandate from the people of Ontario is testament to the fact that this government is not interested in good government; it is interested in ramrodding through its position soon enough so that, it hopes, the taxpayers will forget four years down the road.

8:40 p.m.

Let us hear what the Premier told the Canada-UK Chamber of Commerce meeting on September 27, 1979.

It is interesting when the members opposite hear these remarks coming back at them, is it not?

"There may be evidence that the price increases we have experienced are encouraging more energy self-sufficiency in our society. However, there is no honest consensus that significant oil price increases by themselves lead effectively to reduced consumption. The only thing—"

Mr. Haggerty: If only we had the press here to take all this down, it would make headlines tomorrow.

Ms. Copps: This is not this member speaking; this is the Premier: "The only thing we do know is that massive increases in the price of oil can stall economic activity and slash employment growth. To choose that course when other options are available would be tantamount to restoring bleeding as the medical cure-all."

For those members who do not understand, the Premier is suggesting, I think by reference, that bleeding was not a medical cure-all. The implication is that an increase in oil or gas prices will stall economic activity and is comparable to the use of bleeding to cure medical problems.

That was an analogy drawn by the Premier when he spoke to the Canada-UK Chamber of Commerce meeting on October 27, 1979. Far be it from me to stand in this House and tell the members the ad valorem gas tax is the kind of insidious tax I think it is. I do not need to tell members; I only have to quote the government's own ministers and their own Premier. They have hanged themselves with their own words. That draws me to the story I started off with, but I do not want to get into that now.

Again, when the Premier spoke to the Ontario Municipal Electric Association and the Association of Municipal Electric Utilities—

Interjections.

The Acting Speaker: Order.

Ms. Copps: This was not pre-election; this was during the election. This is where we hear the real truth, the truth and nothing but the half-truths.

Hon. Mr. Gregory: You liked that.

Ms. Copps: I did. I enjoyed it. I hope the members did too, because they will be hearing more of it.

This is what they were saying their broad policy and purpose was with respect to price and supply of oil and natural gas; listen to this:

"Our broad policy purpose will not change. It was and is the three-pronged objective of adequate and secure supplies at reasonable price. We did not compromise our position with the Clark government"—although I notice the members opposite all got together at the picnic on the weekend.

Interjection.

Ms. Copps: The member for Durham West (Mr. Ashe) may not have known about it, but I think one of the members—

Hon. Mr. Bennett: You certainly did a great job this weekend compromising your position.

Ms. Copps: Yes, there were a few noted in the paper who did get together with the very Clark government they did not want to get together with.

The Premier said, "We did not compromise our position with the Clark government"—not the Conservative government, but the Clark government; obviously he could not say "Conservative" and "Clark" in the same breath, because he may have been echoing a political reality—"and it would be an error to assume that we will compromise it with the new government. To compromise on that policy would be to compromise the future of the people of Ontario, and that we will never do."

Is that not lovely?

This is what the Premier said: "I have no doubt that prices will increase but, equally, no one will be left in doubt as to the Ontario position. Price increases without commensurate improvement in supply security and appropriate distribution of oil-related revenues will be opposed."

That was taken from notes for an address by the Premier on March 4, 1980.

He continued: "We will continue to resist windfall profits for provincial treasuries and petroleum companies." I submit that the ad valorem tax is nothing but that: windfall profits for provincial treasuries. Not only have ministers spoken out against them, but even the Premier in his comments has stated time and again that he will not support windfall profits for provincial treasuries. I do not know what he calls this tax, and it is unfortunate that he is not here in the House to respond, because I am sure he would have various and sundry ideas, depending upon the point of view that was being put forth and what he was expected to talk about.

I guess we will have to go back to the Minister of Energy and what he told the Canadian Energy Conference on November 15, 1979. This has to be the classic; this is really good—and one wonders why voters and taxpayers get jaded and why they feel that governments and political people do not speak out for what they believe in:

"Surely it is reasonable to expect that our objective to attain self-sufficiency in oil as soon as possible will not be converted into a mechanism for simply expanding the cash flow of the government."

That is what the Minister of Energy said on November 15, 1979. He does not want the government to use oil and gas revenues simply as a mechanism for expanding government cash flow.

I submit that this ad valorem tax is simply that: a mechanism for expanding government cash flow with no concurrent responsibility. There are no strings attached. Every time the price goes up, the government will get proportionately more money (1) without having to stand up in the House and announce the tax increase and (2) without having to be accountable for energy self-sufficiency.

Let us listen again to what the Treasurer had to say when he was responding to the federal budget on December 13, 1979. And, my goodness, it fatigues even me to keep reading over and over again comments that are in direct opposition to the position articulated in this budget with respect to the ad valorem tax, to hear the same ministers in the House and in the streets of this country and this province talk about how they are going hold the line and how they are not going to let Alberta take any more oil and gas revenues out of this country, and then to see them turn around and do the same things themselves the minute they are elected.

Mr. Brandt: The money is going to the people of Ontario.

Ms. Copps: The money is going to the people of Ontario? I am happy that the former Liberal mentioned this point, because I am sure that the people of Ontario will be very happy to find out that when they are paying an extra two cents, three cents and five cents at the gas pumps, they are getting the money. I was under the impression that they were paying it, but I understand that they are getting it. Okay. Maybe the member can stand up on this budget debate and explain how they are getting it. The fact of the matter is that he does not have the guts to stand up in the House and articulate his position; so he had better not speak. I hope he will stand up and speak to this ad valorem tax and tell us how it is going to give so much money to the people of Ontario.

Mr. Brandt: I will debate with the member any time, anywhere.

The Acting Speaker: Order.

Ms. Copps: I am inviting the member to get up and speak to it.

The Acting Speaker: Order.

Ms. Copps: I am hoping that the member does get up and speak to this, because I for one

will be very interested in the mental acrobatics that he will have to go through if he is going to justify to the people of Ontario the comment that this ad valorem tax is going to be giving them money. Forgive me if I have missed the logic, but I just do not grab it.

8:50 p.m.

Let us return to the question at hand, which is the ad valorem gas tax and how those comments are in direct conflict with Ontario's comments on the federal budget, as articulated by the Treasurer on December 13, 1979. He said, as reported at page 5460 of Hansard:

"The members are all aware of the stand this government has taken with regard to oil and gas pricing. We have strongly opposed, and continue to oppose, price increases which go beyond the current federal-provincial agreement without any changes made to the distribution of oil and gas revenues.

"Many of the proposals of the federal government will not help our economic performance and not advance the capacity of our economy to grow. In the view of this government, there must be a positive upfront offset or massive reinvestment of the enormous energy revenues to ensure that the economy of this country does not receive a mortal wound in the next year; that the excise tax increase... while better than the predicted 30 cents, is going to mean an additional \$2.5 billion annually in tax revenues..."

"Ontarians will bear the brunt of these increases. We're going to pay \$1.6 billion more next year." He goes on and on. That was fine when it was the federal increase but, when it is a provincial increase, it is justified because we do not have enough revenues to operate in this inflationary economy. So why not help out the situation by adding to inflation with the ad valorem tax?

Mr. Stokes: I thought they were both in bed together.

Ms. Copps: Somebody else said that; not me. I would not say that.

These are the impacts of natural gas and oil increases, as stated by the Treasurer at page 5461 of Hansard: "The first is higher levels of inflation. The federal Minister of Finance is predicting an inflation rate of 11 per cent next year." Heaven knows, we know it has gone much higher than that.

At this point, December 13, 1979, the Treasurer finds it "particularly worrisome" that the inflation rate will probably be up to 11 per cent

in the next year and he is stating this is one of the reasons why we should not increase the natural gas and oil taxes. As we all know, the increase in inflation is almost double that, and yet the minister is the first one there to grab whatever he can from the taxpayers of Ontario.

"The second impact" of that same increase "is that we expect to see a drop in consumer and business incomes. For those who say that the energy price increases will not be hard to take, let me outline the impact that these increase will have on Ontario consumers.

"In 1980, most people will pay over \$200 more for heating oil and gasoline." These are the Treasurer's figures. This \$200 more that they will be paying for oil and gasoline is "about four days' pay before taxes. What does this mean for the average Ontario worker? After taxes, the family breadwinner is going to have to work six or seven extra days just to maintain his 1979 standard of living. . ."

So they are already in a catch-up situation.

The Treasurer is speaking out against it because he does not want to fuel inflation, he does not want to see a drop in consumer and business incomes, and yet the minute his party is elected with a majority, a mandate from the people of Ontario, he turns around and applies the very ad valorem tax that would do just that.

"There is even some question as to whether these measures will produce the energy conservation we are looking for. It has been estimated by some that for every 10 per cent increase in the cost of energy . . . consumption drops by only one per cent. That is hardly enough to produce the goal of energy self-sufficiency, yet it will place heavy burdens on our economy."

I am sorry that the minister was going on so long at that time but I guess, to articulate and elaborate his position, I will have to read all the four points.

"There are four other reasons why we oppose this imposition. . .

"First, there is a considerable time lag between the time energy price increases hit and federal offsetting programs begin to ease the burden . . . It is not until 1981 the energy tax credit . . . takes effect. . .

"As the members know, its original purpose was to subsidize the higher costs of imported oil used in eastern Canada. . .

"Mr. Speaker, that purpose has now been lost. The federal government"—and here is the minister who is wagging his finger at the federal

government for a tax increase—"is now proposing to ease its budget deficit with those revenues."

That was what the Treasurer of Ontario stood on December 13, 1979, and told the Legislature. He would not tolerate a government that would use the revenues derived from energy sources to ease its budget deficit. Yet in 1981 that very minister stands in the House and says he has to use the ad valorem tax increase to ease our budget deficit. One wonders why he was saying one thing at one point in time to one group and something else at another time to another group, and one has to wonder about the motives of this government.

He continued, as reported at page 5462 of Hansard: "My initial reaction to the energy aspect of this rather complex budget is that while some of the features meet Ontario's proposals in principle, they do not nearly go far enough. The consumer is really left with the prospect of financing the federal government deficit with higher taxes and higher energy revenues, while the producing provinces will get a large windfall again. We have no guarantees that the federal government will ensure the stability and growth of the national economy by planning for, and insisting on, the reinvestment of these large petrodollar revenue flows in our economic future."

That was what the Treasurer of Ontario said in 1979, and it was probably one of the reasons the very government that proposed that tax went down to defeat.

Members will notice it is not referred to as the Conservative government. It is referred to as the Clark government, which goes along with the Ontario government's policy of dissociation. It likes to associate when it is to its advantage and to dissociate when it is to its detriment.

Hon. Mr. Timbrell: How much has it gone up under Trudeau?

Mr. Brandt: Tell us what happened to the price under Trudeau? Will you explain that to us?

Ms. Copps: I prefer to talk about what the Premier said at the special first ministers' conference on oil and natural gas policy, November 12, 1979: "Nor would the idea of indexing ourselves to massive increases in oil prices as they approach world levels present in practical terms any greater recognition of our Canadian opportunity but to tie ourselves—" but this is what the gas tax does.

The Premier also stated: "Having said all this,

Mr. Prime Minister, I must say in frankness"—chewing—"that the oil pricing proposal that is being negotiated between your government and the province of Alberta appears, from what we know, to be an excessive and imprudent response to the claims of the producing provinces and the petroleum industry.

"Without equally massive income assistance to consumers, which does not seem to be under serious consideration"—he could be writing my speech, and I wish he were; the Premier spoke out against the tax increases because they were not coupled with massive income assistance to consumers—"such a decision would, in our opinion, constitute an unprecedented raid on the consumer, not a meaningful attack on our energy problems. Furthermore, an excise tax increase would not complement a rational fight against Canadian inflation; it would only make matters worse."

This is very statesmanlike. At an energy conference, the Premier stands and says, "The tough decisions before us certainly and surely do not involve finding new ways to squeeze the consumer, but effective ways to ensure real growth."

As far as I can see, and correct me if I am wrong, the ad valorem way is a new and unique way to squeeze the consumer in such a way that not only does the government get increased profits every time the price of gas goes up but also it does not have to stand up in this House and be accountable for it. There is no accountability, and the government is able to hitch its wagon to inflation and to profit from the increase in oil and gas prices without actually justifying it in this House.

9 p.m.

"Bearing in mind Canada's continuing capacity to choose its own policy in the present dangers already before our economy, Ontario has made it clear that it opposes any immediate price increase and that we will remain opposed until there is a plan in place that guarantees a basic change in revenue flows and energy and economic policies in order to achieve (1) national oil self-sufficiency, (2) avert an unnecessary recession, (3) avert undue hardship on the consumer and (4) support industrial adjustment."

Those are very laudable claims and laudable recommendations. Where were they in the budget? How did they apply to the ad valorem tax? Where has this government averted an unnecessary recession? In fact, it has contributed to it. Where has it made any attempt to

achieve oil self-sufficiency? Where has it tried to avert undue hardship on the consumer? It is a doubletalk. It is a pre-election and post-election attempt to squeeze money from the consumers and taxpayers of Ontario, and they are gambling on the notion the people will forget. I can assure them they will not forget.

It is clear the people of Hamilton certainly do not make—

Interjections.

Ms. Copps: "If the new energy policy is to be credible, it simply cannot be used as an excuse to raise billions of tax dollars for general government purposes. Further, our government is not looking for windfall revenues from higher prices. It would be unconscionable for the federal government not to return honestly"—I am using the term literally, because I certainly would not be using it loosely—"all discretionary new revenues back to the people."

The Premier is saying it would be unconscionable not to return all revenues back to the people. "This cannot be fudged, particularly in the case of low-income families and those who have no immediate option but to continue to use the automobile and the oil furnace."

I do not know who is fudging, but it certainly is not this side. It certainly seems to be the very minister and the very Premier who had the gall to say those things at the first ministers' conference and then turn around and introduce the kind of budget that would institute this ad valorem tax. It is fudging. It is costing those very people the most who have no immediate option but to continue to use the automobile and the oil furnace.

"It would be wrong and tragic to lock in massive oil price increases," he said. Yet that is exactly what this ad valorem tax does. It locks in massive increases without any justification in the House, without any justification to the consumer.

It is a little like what they did a few years ago to the prices in the liquor store. I do not know if any members remember a few years ago before they had the ad valorem on liquor sales; we would be hit periodically with this huge increase in the price of liquor. It is interesting to note that the budget decreases the price of brandy. I do not know where all the brandy drinkers are, but it is certainly not among most of the common people. Anyway, brandy and cigars went down.

In any case, it is easy to see this government is really not interested in curbing inflation. It is not interested in staying out of the pockets of

the common people, and through this ad valorem tax it is able to bring about legalized robbery of the people of Ontario.

Here we have the Premier again speaking with the Ontario PC Campus Association: "We also took the view that to have a price increase which generated the kind of cash for the government of Canada, the foreign oil companies and the government of Alberta"—notice how he lumps in Alberta with the foreign oil companies, except when he is deciding he wants to be a national statesman. Yet after the election the first thing he does is increase oil prices and increase revenues to the extent that we will now be profiting more from inflation and more from the resource base than will Alberta.

"We also took the view that to have a price increase which generated the kind of cash for the government of Canada, foreign oil companies and the government of Alberta, which they could not possibly reinvest quickly enough to solve energy security problems, would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province and of Canada as a whole."

I do not know who is doing the raiding now but I would submit the raiding is in fact being done by the government on the average citizen of this province through the ad valorem tax.

Again the Premier said, speaking to the Progressive Conservative association: "We have also argued that there is only so much that you can take out of the economy by means of energy price increases before that economy begins to suffer and to suffer seriously. I believe that if we were to have a massive move to world oil prices, the kind of harm that would do to our economy would not only ensure that we have followed the Americans down the road to recession but that we did considerably worse. It is not the kind of circumstance that I can accept," et cetera.

That was pre-election propaganda. Of course, with their majority the truth will out and we see that the very raid upon the taxpayers of this province that he is decrying is being carried out through his own fiscal policies and, in particular, through the ad valorem tax. His paper proposed "a national program to assist consumers to sustain spending power, to provide for appropriate economic investment and to increase activity in the area of conservation and alternative energy sources."

We also must consider other statements that have been made along the line. I would like to refer back to statements made in 1978 by the former Minister of Natural Resources, Mr. Auld:

"Ontario views crude oil and natural gas price increases unrelated to improving Canada's security of supply as inflationary, a deterrent to job creation and a further factor in harming Canada's industrial competitiveness. The government has the fiscal and the constitutional capacity to permit only moderate price increases. It can allow prices to rise at a faster rate and capture the windfall profits which would accrue to the petroleum industry."

He is talking about the immeasurable damage that could be done to the Canadian economy and he says: "Surely, inducing a recession in Canada is not in your interests as it is certainly not in ours."

I would submit this ad valorem tax is, for the consumers of Ontario, a step towards just that, the kind of recession this government's fiscal policy is seemingly trying to generate.

Let us go back to Hansard, page 3517, October 16, 1979, and the Premier. We all know what he says in question period may sometimes drift from one position to another on the map, so it is perhaps not unusual that his position pre- and post-election has changed.

"Ontario is opposed to any immediate price increase. Comprehensive adjustment policy: If Canadian oil prices are allowed to rise substantially at any time there must be a basic change in revenue flows and energy and economic policies to (a) achieve national oil self-sufficiency, (b) avert an unnecessary recession, (c) avert undue hardship on the consumer, and (d) enhance industrial adjustment."

He is articulating his four-pronged attack, his four-pronged program which will permit the people of Ontario to live in an enhanced economy which does not include rapid increases in the price of natural gas and oil. That was again pre-election.

The Premier also said: "I have opposed and will continue to oppose any change... that would generate windfall profits rather than oil security and economic recession rather than shared national growth."

9:10 p.m.

This is the same government that is now bringing in the kind of insidious tax upon a tax upon a tax, this inflationary program that is going to wreak havoc upon the economy of Ontario and upon the taxpayers and the consumers of Ontario, not to mention what it will do to small business, senior citizens, those on fixed incomes and the disabled.

"There may be evidence that the price increases we have experienced are encouraging

more energy efficiency in our society. However, I could find no honest consensus that significant oil price increases by themselves lead effectively to reduced consumption. I do not think that just pricing alone is a sufficient vehicle for reduced consumption or conservation. The only thing we do know is that a massive increase in the price of oil can stall economic activity and slash employment growth. That much we do know.

"I will oppose this course so long as I am charged to serve this province. We are not a have-not province, but we are not going to be bled white in this process either."

That was the statement made in Hansard of October 16, 1979. I am sorry for the taxpayers of Ontario; I am sorry for the young people of Ontario who have been taught that governments are to be believed in and to be followed; I am sorry for those very people who now read in Hansard of 1981 that the government position has changed drastically, and that they are in fact at the opposite end of the fiscal spectrum.

The stark reality before all of us is that the differences over the pricing of crude oil really have less to do with energy policy than they have to do with conflicting aspirations and convictions about the management future of our Confederation.

"The single-minded free market advocates"—and this is the Premier speaking now, not the leader of the Liberal Party (Mr. Smith) or the leader of the New Democratic Party (Mr. Cassidy)—"and provincial rights purists suggest that prices be allowed to rise substantially without any adjustment to revenue flows. That is what is being suggested by some. To me this notion does not make sense economically and depreciates what our Confederation is all about. Ultimately, if we are in fact one country, windfalls"—get this—"occurring to provincial treasuries can be no more exempt from national needs than those enjoyed by private companies."

Maybe the Premier is suggesting here a windfall tax on the provincial government ad valorem revenues. Frankly, I think it might not be such a bad idea. That is what he said in 1979.

Of course, in 1981 the story has changed. We have a new government: the same government with a different face, a different slogan, a different ad campaign and a mandate for good government. I am sorry to say that mandate is not being fulfilled. The very kind of windfall profiteering that the minister decried in this

House in 1979 is being perpetrated by this government on the taxpayers of Ontario with this ad valorem tax.

I would challenge any back-bencher who feels strongly about this issue to please stand up and speak up, because I do not think they have the courage to do so. If they believe in this tax they should say so. If they believe in this tax they should stand up and let the taxpayers of Ontario know. I would be very happy to mail a copy of Hansard personally to their constituencies so their constituents can know how happy the members are with the ad valorem tax and how they feel, as the member for Sarnia (Mr. Brandt) has stated, that it will be giving money to the taxpayers of Ontario. They should feel free to do so after I have finished my very brief remarks.

Hon. Mr. Ashe: When is that going to be?

Interjections.

Ms. Copps: Here we have the Minister of Culture and Recreation (Mr. Baetz) all over again on June 20, 1978. That is another place and another time. He said something else there. They are saying different things all the time. I have to make sure that the members hear all of them so they can have the full picture and can derive their position from it. I know no members have made up their minds yet how they are going to be voting on the tax, and that they are really susceptible to the kind of pressure we are bringing to bear on them through this discussion. I hope they will take all of the remarks by these ministers very seriously, because it is their government that is responsible for this tax, and believe me, we will be reminding them of it often over the next four years.

"I should like to advise the members that during the last few weeks I have had discussions with the Minister of Energy for Alberta," et cetera. "At these meetings we have made strong representation against any price increase at this time while the Canadian economy is soft and unemployment is high, and when inflation is still not under control." So those are the three provisos that hold the key to the provincial government's commitment to holding the line on energy increases. They will not increase the price of energy while the Canadian economy is soft, while unemployment is high and while inflation is not under control.

Forgive me if I am wrong, but I think some of those variables are still in effect and it is something this government should have borne in mind instead of doing a flip-flop on its position from 1978 to today.

I am going right back now to May 11, 1977. Some of the members may not remember that far back.

An hon. member: What does the gas tax mean for the farmers?

Ms. Copps: I am getting to that later. That is in the latter part of my speech.

"On leaving a federal-provincial meeting of energy ministers in Ottawa today, the Honourable James Taylor stated that on behalf of the government of Ontario he had vigorously opposed any increase in the price of crude oil and natural gas." These are the realities of 1981, but that is what he said in 1977. I have not actually noticed the member for Prince Edward-Lennox (Mr. J. A. Taylor) vigorously opposing this tax in the House, but I hope he will be one of the speakers to—

Mr. Breugh: I doubt it.

Ms. Copps: I am sure we will be hearing from him in the future. I certainly hope so. He goes on to articulate the reasons he is opposed to any increase in the price of oil and natural gas.

Mr. Breugh: The member for Prince Edward-Lennox has never articulated. Stop that nonsense.

Ms. Copps: I know. I have to drop that. I am sorry. I am trying to switch it around a bit to make it interesting.

He said, "I have stated the reasons for the opposition of the government of Ontario to such—"

Hon. Mr. Henderson: The farmers want this. Interjection.

Ms. Copps: I would like it read into the record that the farmers want this tax because they, like the constituents in the riding of the member for Sarnia (Mr. Brandt), feel they will benefit. They will actually be getting from this tax rather than giving. It is a good thing they have stated it on a number of occasions, because it has given me lots of material.

In 1977, the then Minister of Energy said: "I have stated the reason on a number of occasions. It is not the time to increase inflationary pressures in Canada. It is not the time to further decrease job creation. It is not in the interest—"

Mr. Kerr: You are talking about four years later.

Ms. Copps: I am under the impression that the inflationary pressures in 1981 are equal to or greater than those of 1977, but please correct me if I am wrong. They are greater. Hence, because of these inflationary pressures, the

comments made by the minister in 1977 stand as an even greater reality in 1981. "It is not the time to increase inflationary pressures in Canada. It is not the time to further decrease job creation. It is not in the interest of Ontario or Canada to reduce the competitive capability of our export industry."

The minister added that in his view it would be downright irresponsible to escalate prices at this stage of the economic recovery in Canada. In 1977 the inflation rate was lower than it is today. In 1977 the minister was asking the government to stop the inflationary pressure by not increasing resource revenues. In 1977 he said, "It would be downright irresponsible, in view of the inflationary pressure, to escalate prices." Yet this is exactly what this government has done in 1981.

Mr. Boudria: There is nothing inconsistent in Tories being irresponsible.

9:20 p.m.

Ms. Copps: The former Minister of Energy talks here about the fact he is very disturbed that sufficient information is not available to the consumer of Ontario on the additional money, I quote, "extracted" from the consumers of Ontario and elsewhere from previous oil price increases. "Until such time as I am fully satisfied that the enormous sums paid by our consumers every time the price is increased is in fact effectively invested in Canada for the purpose of assuring long-term supplies"—this is beautiful stuff, is it not? It is terrific—"for energy consumers, I will continue to oppose price increases of any kind or any amount."

That was said by the member for Prince Edward-Lennox on May 11, 1977. Unfortunately the government's words have come back to haunt the members opposite. That member went to his just reward on the basis of his progressive policies. It is not only that member but also the member for Ottawa West (Mr. Baetz), the Premier (Mr. Davis), the Minister of Energy (Mr. Welch), the Minister of Revenue (Mr. Ashe), et cetera.

I am thrilled to have had an opportunity to speak in the House when the Minister of Agriculture and Food (Mr. Henderson) was here and that he thought enough of what I was saying to state to this House that the farmers of Ontario are happy about the ad valorem tax. I am glad he said that and hope the farmers of Ontario will be reading that in the Ontario Federation of Agriculture news along with

other items that have been raised by the federation. We will not get into them now since they are not related to the ad valorem tax.

Let us talk about what the former Minister of Energy had to say—

Hon. Mr. Henderson: Our government excludes the farmers. The farmers do not pay the tax.

Ms. Copps: No, the farmers like the tax. The minister said the farmers like the tax.

Mr. Boudria: What do you mean the farmers don't pay the tax? Don't they drive cars like everybody else?

Ms. Copps: I guess there is not a farmer in Ontario with an automobile. I guess no farmers drive. If the ministry's information office cannot handle it—I am not sure they are allowed to put out information without the minister's seal of approval—I will send a copy of tonight's Hansard to all the farmers of Ontario. That will clear up what their position is.

Hon. Mr. Henderson: No problem. Send them a copy. See if there are any left-wing farmers—

The Deputy Speaker: Carry on with the debate, Ms. Copps.

Ms. Copps: The former Minister of Energy said:

"We are opposed to any increase in the price of crude oil. We are influenced by the expectations of those million unemployed Canadians whose prospects of finding jobs will be worsened by an increase in crude oil prices. We are influenced by the concerns of Canadians hard pressed by persistent inflation whose situation would be worsened by a price increase. We are influenced by the negative effect a price increase would have on the competitive capability of Canadian industry and the effect on job creation of the worsened ability of industry to compete.

"We are influenced by the frustration of those Canadians who have experienced a four-year sequence of price increases in the expectation of an improvement in the security of energy supply and have paid heavily for a security that has not resulted. We are influenced by the fact that Canadians have paid immense additional sums for crude oil and natural gas and have been offered no explanation as to the final disposition of this money and no evidence it has been used in their best interests."

He said there has been no evidence that it has been used in their best interests and no explanation as to the final disposition of this money. "We are influenced by the negative effect that a price increase at this time would have on the

fiscal balances between the provinces. The effect of the price of crude oil products on consumption continues to be uncertain while the negative effect on our national economy of a crude oil price increase is measurable and acknowledged.

"One of the highest priorities, the highest policy priority," said the former minister, "is to take the fierce pressure off Canadian consumers rather than intensifying it. The highest priority of all, I suggest, is to restore the confidence of Canadian citizens and consumers in all parts of Canada as to the commitment of all Canadians to the social and economic restoration of our faltering Confederation."

That is pretty heady stuff. It is stating a position that this government will not move ahead with crude oil increases. We saw where the member for Prince Edward-Lennox got his reward. He was a minister. He stood up and spoke out, and what happened to him? It is the same thing that happened to the taxpayers of Ontario. It was those people who gave this government a mandate who are now being treated with the same kind of respect that the member for Prince Edward-Lennox got when he had the courage to speak out on the kind of energy position that this government should be taking.

"The people of Ontario have been mugged in the park," to quote the member for Oshawa (Mr. Breagh).

I have the member for Prince Edward-Lennox again. I would rather be listening to the music of James Taylor but I have to talk about what James Taylor, the member, said.

Interjection.

Ms. Copps: No, I said I would rather be listening to the music of James Taylor but I think that might be after the member's time. I do not know. The other James Taylor. The real James Taylor. Will the real James Taylor please stand up? Oh, he is not here. Okay.

This is another minister speaking out on April Fool's Day. They must all come out on April Fool's Day.

He said: "First, we are opposed to any increase in the price of oil and natural gas"—again, this is Mr. Taylor, the one who went to his just reward—"because the stated objective of this annual escalation—that of ensuring security of supply through expanded exploration and development—has not been met. We are opposed because it will create further unem-

ployment when the unemployment rate in Canada is the highest it has been in 20 years with nearly a million Canadians out of work."

Interjection.

Ms. Copps: No, no, this is the member for Prince Edward-Lennox's speech. I would not deign to speak myself. I need only quote what they said. I need only quote what the member's fellow ministers have said. Maybe he should continue listening to it because I think he will eventually espouse that position himself.

I think it would be incumbent upon the member for Wilson Heights (Mr. Rotenberg) to listen to what his fellow ministers have said, and to wonder how those who are in are in and those who are out are out. It might be incumbent upon him to watch who says what and who stays where, because it might be a good training ground for the future.

"We are opposed because it will deal yet another blow to the competitive capability of Canadian industry in world markets at a time when there is little competitive advantage remaining. We are opposed because it further fuels inflation, places an unnecessary burden upon all sectors and individuals in our society. . ."

Mr. Rotenberg: Stop laughing, Sheila.

Ms. Copps: I am laughing because the kind of statements made by the former minister in 1977 are the exact opposite of what his counterparts are saying in 1981. I think the people of Ontario are probably in the same position. It is unbelievable that a minister will stand in the House in 1977, 1978, 1979, 1980, right up until March 19, 1981—a cabinet minister, a member, a Premier—will stand in this House and state a position on oil and natural gas prices and the minute they are elected and given a mandate based on the positions they have presented to the people of Ontario, they reverse their position.

9:30 p.m.

Interjections.

Mr. Rotenberg: Why don't you give us your own opinion? Don't you have any opinions of your own?

Ms. Copps: I can only read what the member for Prince Edward-Lennox said and the member for Wilson Heights may consider the fate of that member. If he is really concerned about it, and I

note he has many comments about it, I hope he will carry on speaking after I have finished, because I have only a few more hours.

Mr. Rotenberg: Finish it and sit down.

Ms. Copps: I have only a few more hours left.

Mr. Haggerty: Just like George telling us he is going to walk the Hamilton Bay.

Mr. Kolyn: He walks on water.

Ms. Copps: Instead they threw the Re-Mor investors into it.

He said: "We are opposed because it will deal yet another blow to the competitive capability of Canadian industry and world markets at a time when there is little competitive advantage remaining. We are opposed because it further fuels inflation, places an unnecessary burden upon all sectors and individuals in our society and places an intolerable burden upon those least able to bear it. Any increase in the domestic price of oil and natural gas at this time would be gouging the Ontario consumer."

Mr. Boudria: Did you say gouging?

Ms. Copps: Gouging the Ontario consumer." That was James Taylor.

He said, "Mr. Speaker, these are some reasons why the government of Ontario is opposed to any increase in the domestic price of crude oil and natural gas. I would hope that the Ontario government's opposition to any such proposals is shared by all members of the Legislature because I feel certain that I have the support of the consumers of this province."

Bearing that in mind, and bearing in mind the inflationary gouging this ad valorem tax will have on the consumers of Ontario, I hope all members of this House, including members on the government side, will stand with the member for Prince Edward-Lennox.

He said: "I would hope that the Ontario government's opposition to any such proposals is shared by all members of the Legislature because I feel certain that I have the support of the consumers in this province. The public is fed up and rightly so. The public is prepared to make sacrifices, but only if those sacrifices deliver results."

He also said: "The public knows that for the past three years the government of Canada has justified crude oil price increases on the premise that those funds were required to ensure a secure supply by expanding exploration and development. The public knows this has not happened.

"But the public knows—and this government knows—that the lion's share of these price

increases has disappeared into the consolidated revenue fund of the government of Canada and the producing provinces. Too much of this additional revenue is being used for purposes completely unrelated to energy."

He outlines the objectives of an Ontario government that would increase oil and natural gas only if they would "develop additional supplies . . . protect the competitive position of Canada's industries . . . strengthen fiscal relationships amongst provinces . . . encourage the creation of new jobs . . . alleviate inflation; and it should be equitable."

He talks about the plight of the Ontario consumer, "It will be the fourth year in a row in which the Ontario consumer has been duped in the name of ensuring security of supply."

Mr. Rotenberg: Are you going to hire James Taylor as your speech writer?

Ms. Copps: If the member does not want to hear it, why does he not move closure?

Hon. Mr. Ashe: We have heard it 50 times; 25 from you and 25 from the others.

Ms. Copps: If he does not want to hear the kinds of problems facing the taxpayers and consumers of Ontario, then he should stand up and say so in the House. He can use his legislative powers to force closure. That is his responsibility and that is his—

Mr. Watson: That's what you want.

Hon. Mr. Ashe: Now we know.

Interjections.

The Acting Speaker: Order. Ms. Copps has the floor.

Ms. Copps: The public has the right to expect that the government will reduce that special tax and relieve the consumer of this unnecessary burden. "Our economy and the average wage earner simply cannot afford another oil and gas price increase." That was not said by me; that was said by their minister.

Interjections.

The Acting Speaker: Order.

Ms. Copps: That was said by their minister, and their second minister, and their third minister, and their fourth minister, and their Premier. They all said it, and they did not have the guts to say it before the election, but they are sure saying it now. They are saying it to the taxpayers and consumers of Ontario and, lest they forget, we will be reminding them over the next four years of the insidious backpedalling, the insidious balancing act, and the insidious

crystal ball that has been used and abused by this government as part and parcel of the reality of March 19.

Mr. Wrye: Ask the member for Cochrane North (Mr. Piché) if he agrees.

Mr. Piché: I just came in.

Ms. Copps: I guess I better do some in French.

Not only do I oppose the ad valorem tax; woe betide me if I speak as a single individual. I would like to quote what the Toronto Globe and Mail has to say about this tax. "Notwithstanding the ad valorem tax"—and let us talk about the situation in Metro. I am glad the Minister of Housing (Mr. Bennett) is back, because this ties in with the housing crisis in Metro. Let us talk about the kinds of gas prices that are already hitting the consumers: ". . . in Toronto, gas prices are already rising at a rate double that of inflation." So with the ad valorem tax, this government's revenues will be increasing at a rate double that of inflation.

"A survey of more than 80 stations in and around—"

Mr. Rotenberg: Only if Trudeau raised the price of gas. Be honest about it.

The Acting Speaker: Order. Ms. Copps has the floor.

Ms. Copps: Is the member speaking out in favour of the increase in Metro gas prices of more than double the inflation rate? Well, I would like it on the record that the member for Wilson Heights is in favour of what I have just quoted here, according to the Globe and Mail, that Toronto gas prices are rising at a rate double that of inflation. Let us tell that to the Toronto taxpayer.

Mr. Rotenberg: No, I am not in favour. I am saying it is Trudeau's fault. You know as well as I do that Trudeau raised the price, not us.

Ms. Copps: "According to a survey of more than 80 stations in and around Metro"—and probably even in Wilson Heights; I hope the voters of Wilson Heights are listening—

Mr. Rotenberg: Why do you not tell the truth?

Ms. Copps: Is the member for Wilson Heights stating that the Globe and Mail is not telling the truth? Is that what he is stating? This is a quotation from the Globe and Mail. Is the Globe and Mail—

Mr. Boudria: I hope they can hear this in the press gallery.

The Acting Speaker: We are debating the motion, Bill 72. Ms. Copps has the floor.

Ms. Copps: I would like it to be known for the record that the member for Wilson Heights has just questioned the veracity of the *Globe and Mail*, and I would like the member—

Mr. Rotenberg: On a point of order, Mr. Speaker: I was only questioning the veracity of the speaker, who is not telling us why oil prices are going up. I was not questioning the *Globe and Mail*.

Mr. Stokes: Mr. Speaker, I object on behalf of the Speaker. Is the member talking about the member who has the floor or about the Speaker?

The Acting Speaker: Order. Mr. Rotenberg, I did not hear you. Say that again. I did not hear your words.

Mr. Rotenberg: With respect, Mr. Speaker, I was not questioning the veracity of the *Globe and Mail*. I was questioning the veracity of the member who had the floor and was speaking.

The Acting Speaker: Ms. Copps has the floor. Ms. Copps, please carry on, and we are speaking on Bill 72. May I caution you not to have long excerpts from the readings, but you are certainly allowed to use some resources.

Ms. Copps: Thank you for the rest, courtesy of the member for Wilson Heights. I might add for the record that when the member for Wilson Heights was challenging the veracity of the speaker, the speaker being the member for Hamilton Centre, the member for Hamilton Centre was quoting from the *Globe and Mail*. I can only derive from that that the member for Wilson Heights was questioning the veracity of the comments that were made, which were a direct quotation from the *Globe and Mail*.

9:40 p.m.

Mr. Breagh: Make him withdraw.

The Acting Speaker: Ms. Copps, do not listen to the interjections. Carry on with your speech, please.

Ms. Copps: This is relevant, Mr. Speaker, because in a survey of more than 80 stations in and around Metro Toronto it was shown the cost of an imperial gallon of gasoline has already gone up between 50 cents and 60 cents a gallon in the last two years depending on the type of gas station and the station location.

My point is that this gas is already going up at a rate double that of inflation, and this government is proposing a tax that will latch on to the back of that double inflation. So not only is it a tax upon the inflationary pressures already

being exerted on gas, but it is a tax that is double that of the inflation rate of the cost of living generally.

Let us see how this gas tax is going to affect the people in the Metro area. In the 1960s and 1970s what is known increasingly as "the commuter phenomenon" developed. Again, quoting from the *Globe and Mail*: "Increasingly, in dozens of dormitory subdivisions, commuters are finding their incomes squeezed by the increased costs of fuel for their cars."

This is pre ad valorem. This is the normal double inflationary pressure being applied by the cost of gas increasing in the Metro area. These are people who are trying to buy the kinds of homes the Minister of Housing says they should buy. They are not in the downtown core but out in the suburbs, and already in 1979 they were facing an increasing squeeze in the cost of energy.

Hon. Mr. Bennett: This is why we should build a light rail transit system.

Ms. Copps: I think since the member has brought up the subject of light rapid transit I would ask him whether he would like to have it in his riding.

Hon. Mr. Bennett: In Ottawa-Carleton that is what they are looking for.

Ms. Copps: No, of course he does not want to have it in his riding because it is a guinea pig.

"Increasingly in dozens of dormitory subdivisions, commuters are finding their incomes squeezed by the increased cost of fuel for their cars. In some neighbourhoods, houses for sale are a common sight. A growing number of residents have abandoned their dream"—the Minister of Housing says they should dream—"of owning a home outside the city. Many doubt they can weather rising fuel prices much longer."

J'aimerais parler un peu de l'original. La section 3 dit que cette taxe doit fournir une contribution des usagers des rues en Ontario pourvu que ça fasse la construction et la maintenance, que tous les gens doivent payer au ministère pour avoir le droit de se servir des rues et des routes dans la province de l'Ontario. C'est une taxe au taux de 3¢ le gallon sur toute l'essence achetée ou livrée, de ce qu'il reçoit. Ça c'est l'original, la taxe qui a été imposée sur l'essence. C'était le statut de l'Ontario au chapitre 28 si vous êtes intéressés. Ça c'est le commencement et le début de ce texte terrible, ce texte déplorable de ad valorem.

Mr. Piché: Ils l'ont oublié!

Ms. Copps: Ils l'ont oublié! Je ne sais pas. C'est 1925. C'est ça. 1925 c'était le commencement de la fin. C'est pas vrai? C'est vrai, c'est vrai, c'est certain que c'est vrai.

Mr. Piché: C'est certain que c'est vrai, c'est toi qui le dis, c'est vrai.

Ms. Copps: Il faut être mis dans le record que le membre de Cochrane nord dit que 1925 c'est le début de la fin et que la taxe de l'essence c'est le début de la fin. Je pense que le membre de Cochrane nord à ce moment-là ait exigé de se mettre debout pour parler à tout le monde ici pour nous donner son opinion à propos de cette taxe, parce qu'après tout c'est les résidents du nord de l'Ontario qui vont souffrir le plus de cette taxe parce que ce sont eux qui sont obligés de se transporter en voiture de longue distance.

Nous autres, on peut toujours prendre les transport en commun, on peut toujours prendre l'autobus, on peut s'en aller de Hamilton à Toronto sans se servir de l'automobile. C'est possible. Mais au nord de l'Ontario on n'a pas ce luxe, on a besoin de son automobile dans le nord de l'Ontario. Je suis certaine que le député de Cochrane nord qui est un homme de valeur, je pense que c'est un homme qui n'est pas encore trop touché par le rôle qu'il doit jouer dans le gouvernement, qu'il aura le courage de se mettre debout pour parler à propos de cette taxe ad valorem et pour dire, pour parler et pour être la voix de tous les gens du nord de l'Ontario, pour exprimer sa position et celle du nord, pour dire qu'il est contre cette taxe ad valorem, parce qu'il reconnaît les répercussions que ça aura sur les résidents et les personnes qui ont besoin de l'automobile dans le nord de l'Ontario.

Je suis certaine que le député de Cochrane nord va y parler parce que je pense qu'il est, jusqu'à ce moment-là au moins, un homme de parole, un homme qui a le courage de dire ce qu'il pense. Même s'il prend quelque temps pour parler un peu de conseils et des choses comme ça. C'est intéressant, Monsieur, de noter que la semaine dernière, on était en pleine discussion du bill sur l'approvisionnement. On était en pleine discussion de ce bill et j'ai reçu un message des gars du dernier rang, et je dis dernier rang aux deux sens du mot.

Des gars de dernier rang m'ont envoyé un message qui disait: on fait un pari, on fait un pari et on veut savoir combien vous pesez. 130, 145, ou 14, ça c'est le pari. Ça c'est les députés comme ils se sont décrits, les députés de dernier

rang, ce sont eux qui ont fait cette description-là, qui voulaient faire ce pari. C'est évident à ce moment-là qu'ils ne s'intéressent pas à la taxe ad valorem, ils ne s'intéressent pas au bill sur l'approvisionnement, ils ne s'intéressent pas à la question de la taxation en Ontario. Ils s'intéressent plutôt à combien je pèse. Et je ne peux pas tirer autre chose de cela, j'aimerais seulement le mettre dans le record pour laisser savoir aux gens du nord de l'Ontario ce que toute la bande qui est au dernier rang fait avec le salaire payé par les contribuables de l'Ontario.

I guess I should say that in English, but I think I will pass it up. I hope all the members will obtain a translation.

Interjections.

Ms. Copps: I wanted it to go into the record that while we were in the full flight of discussion on the supply bill I was exhorting and pleading with the member for Cochrane North to stand up in this House and speak against the ad valorem tax, because I felt he was a new member, a new voice as yet untouched by the kind of whip-cracking that goes on in his caucus. I felt he might have been in a position to stand up in this House and speak for the people of northern Ontario and the people from my father's home, from Haileybury, and the people from Timmins, and the people from Cochrane North and Schumacher, and the people from Elliot Lake, and the people from Porcupine and the home of Petra Burka, et cetera.

I had hoped that the member for Cochrane North would stand up in this House and have the courage to take a position different from that taken by all his colleagues. Yet when we are in discussion of these very serious matters, such as the supply bill and the ad valorem tax, what are the boys in the back row doing? Incidentally, I did not give them that name, they gave it to themselves; they sent me a note signed "the boys in the back row" and they wanted to know how much I weigh. I had a choice of three responses, which were 130, 145 and 148. I sent back a note saying—

9:50 p.m.

The Acting Speaker: We are dealing with Bill 72. Would you please deal with the bill at hand?

Ms. Copps: I am pointing this out, Mr. Speaker—

The Acting Speaker: Bill 72 is the subject under discussion. Thank you very much.

Ms. Copps: I am pointing this out, Mr. Speaker, so that when the people of northern Ontario wonder why the member for Cochrane

North does not stand to speak on the ad valorem tax they will know that it is perhaps because he is too busy ascertaining the weight of the various members on this side of the House. It is very interesting, when we are on the subject of weight, to note that this question should come from the member for Cochrane North, who is certainly amply provided in that department.

Interjections.

Ms. Copps: Let us talk about how the Ontario budget and the ad valorem tax deal with the kinds of problems that this government is alleging to attack. These problems include inflation, unemployment, the economy, et cetera. Let us hear what the Globe and Mail has to say.

Can I have some more water, please?

Hon. Mr. Ashe: Give her some more water. Maybe her kidneys will give out. If her voice does not, maybe her kidneys will.

Ms. Copps: I love water.

Let us hear how the Globe and Mail, on May 21, 1981, assessed the budget and how the ad valorem tax will affect the Ontario taxpayers: "The Ontario budget totally undermines Premier Davis's long-proclaimed campaign against rising prices for domestic oil. It puts Mr. Davis on the side of rising prices. Every time the price rises, for whatever reason, his government will collect increased revenues." That is what the editorial in the Globe and Mail said.

Despite the alleged efforts by the members on that side of the House to stimulate Canadian unity, they certainly are prepared at every point in time to dump on Alberta for trying to increase the price of oil; but when it comes to profiting from those very inflationary pressures being put on by Alberta, the government of Ontario is the first to get in line. The Globe and Mail said it, not I. The Globe and Mail said, "It puts Mr. Davis on the side of rising prices. Every time the price rises, for whatever reason, his government will collect increased revenues."

I am glad the member for Wilson Heights (Mr. Rotenberg) is speaking, even though he is out of his place as usual, because he talks about Ottawa—

An hon. member: You are out of place, too.

Ms. Copps: I am in place, because I am an elected member who has the right to speak on the ad valorem tax—

An hon. member: I wish you would.

Ms. Copps: I am speaking on the ad valorem tax. I might point out that the member for Wilson Heights, as usual, is not in his proper

place. If he wants to yell and heckle I am sure I would be able to hear it very well if he did it from over on that side of the House, farther away from the front benches, even though we all know he is aspiring to further glory. Maybe he wants to hear me so that he can hear what his successful ministers have to say.

"Alberta and Ottawa will get all the blame." This is what the Globe and Mail says. It is talking about the ad valorem increase, just as the member for Wilson Heights has said. "Ontario will quietly collect an amount equal to 20 per cent of everything they are blamed for."

It is not only the Globe and Mail. After all, I know the Globe did have a slight aberration in the last election, and the government will probably never forgive it for that. But it is not only the Globe and Mail; it is the Toronto Star as well. The Toronto Star says: "Frank Miller has found a new way to profit from inflation. With oil prices slated to at least double over the next five years, Miller must have found the prospects of soaring tax revenues irresistible." Pre-election it was irreproachable; now it is irresistible. The Toronto Star again: "Move over, Sheikh Lougheed; make way for Sheikh Miller. Ontario may not have any oil but it does have the power to tax."

That is the essence of the ad valorem argument. Ontario does not have oil. In fact, Ontario is not even making any effort to investigate alternative renewable sources of energy, nor is Ontario making any effort to justify the increases that have been wrought by the ad valorem tax. The only power it does have and is exercising with wild enthusiasm and without restraint is the power to tax.

Hon. Miss Stephenson: The only thing that is without restraint tonight is you.

Ms. Copps: I am sorry the minister was not here the other night when I read from her campaign literature to show this House the kind of doubletalk that she used pre- and post-election. It is interesting that the very comments she is disparaging are not comments made by this honourable member but they are comments written by a writer with the Toronto Star. If she is claiming I am off base, I guess she is claiming the Toronto Star is off base in its assessment of the ad valorem situation.

I have talked a little bit about what ministers have said. Let us move out of Toronto for the moment; after all, the whole world does not revolve around Toronto. I have talked a little bit about the north and about the kind of commit-

ment that the member should make to the people in the north, but he is too busy concerning himself with people's weight.

I would like to read to this House what the Whig Standard has to say. The Whig Standard is the bastion of Toryism. In fact, last week the member for Kingston and the Islands (Mr. Norton) was very concerned when we were there that we would not receive a warm welcome because of the Tory roots. So the Whig Standard cannot exactly be called a friend of the opposition. Here is what the Whig Standard has to say about the ad valorem tax.

The Acting Speaker: Will you just be reading excerpts from that article, Ms. Copps?

Ms. Copps: Yes, I will just be reading excerpts, of course; very long excerpts.

"Premier William Davis delights in the realities of March 19. Treasurer Frank Miller waves away the harsh implications of his budget. 'Times are tough,' he says 'and anyway the measures will not be defeated.' True, but by gloating he mocks the parliament and the people.

"This week, Liberal leader Stuart Smith, criticizing the ad valorem aspect of the gasoline tax, suggested that Miller was like a pimp who railed against prostitution while living off the avails. Miller yelled back, 'Ranting and raving I have learned from you; prostitution is something you can still teach me about.'

"Perhaps the opposition, now in the frustrating position of having no leverage, can be excused for its low level of debate, but the party in power cannot."

That, on the subject of the ad valorem tax, is drawn from the May 23 edition of the Kingston Whig Standard, which is probably the kindest treatment of the ad valorem tax this government is likely to see.

Let us see what the Bureau of Municipal Affairs has to say about the ad valorem tax. This relates to the whole concept of ad valorem taxes. In fact, it is about the newly inaugurated ad valorem retail sales tax. It says, "If the tax has built-in buoyancy of revenue"—

Mr. Rotenberg: She has got nothing new. She hasn't said anything new at all.

Ms. Copps: If the member for Wilson Heights feels he has so much to contribute to the discussion, I would invite him to join us if and when he takes the opportunity to do so. I suspect he will not do so because, like many of the members on his side, he does not have the

courage to speak in favour of this tax because it would not go down very well with the voters back in Wilson Heights.

10 p.m.

The bureau says: "If the tax has built-in buoyancy of revenue, when the economy expands the yield is automatically higher. No special legislation is required to increase the revenue, as with the property tax. The tax attaches itself to all"—like a slug. Actually, I threw in the part about the slug; it did not really say that—

Interjection.

Ms. Copps: A leech—insidiously sucking blood from the people of Ontario.

"The tax attaches itself to all regardless of position or status in the community and, according to the way the argument is to be, this is either good or bad." That is talking about the introduction of ad valorem taxes.

The government of Ontario, again in the personage of the member for Brampton (Mr. Davis), spoke to a PC association—I guess the Ontario PC Campus Association; I am not sure if these are all different campuses or whether they came together for one gathering—

Hon. Mr. Ashe: The same things over and over again.

Ms. Copps: If the member is saying "over and over again," I have heard about the BILD program over and over again. It is all right to say it over and over again if it comes from the opposite side; if it comes from our side, it is unacceptable. I say the people of Ontario will be happy to hear over and over again the objections of this side of the House to the tax the government is about to perpetrate. "You ain't heard nothin' yet," because the members opposite will be hearing it over the next four years with or without their approval of this tax. It will come back to haunt them in 1984. It will be worse than Orwell.

Interjections.

Ms. Copps: Nineteen eighty-four is the pre-writ, leadup year, and believe me, the members opposite know a lot about that.

The Acting Speaker: Carry on, Ms. Copps, on Bill 72.

Ms. Copps: I have already read the kinds of comments the government members made in 1980. They are the masters of the—

Interjections.

The Acting Speaker: Order.

Ms. Copps: They are the masters of the pre-writ period.

Interjections.

The Acting Speaker: Order. Ms. Copps has the floor.

Ms. Copps: They are the masters of the pre-writ perpetration. That perpetration is a scam; it is a scheme—

Interjections.

Ms. Copps: I believe it. I have stated it here. I have stated exactly what those people said in the one year leading up to the writ. On the other side, two months later, we have a complete flip-flop, a completely opposite position. I can only construe from that that the whole pre-election leadup was a scam perpetrated on the people of Ontario for the sole purpose of retaining power—

Interjections.

The Acting Speaker: Order.

Ms. Copps: In my understanding of the political system, the object of running for office is an effort to form a government. Obviously the government does not seem to understand that, in view of the kinds of policies it is bringing out.

Hon. Mr. Bennett: I have been around politics for 21 years.

Ms. Copps: It is obvious the Minister of Housing does not understand the concept of forming a government or even forming a housing policy, so it is interesting that he should bring that out here.

Hon. Mr. Bennett: You are rambling. Go back to Bill 72.

Ms. Copps: I was not doing the rambling; it was coming from the side opposite.

September 15, 1979, to the Ontario PC Campus Association: "To have price increases which generated the kind of cash for the government of Canada, the foreign oil companies and the government of Alberta which they could not possibly reinvest quickly enough to solve energy security problems, would be a mistake and a distortion and a clear raid on the spending power of the average citizen of this province. There is only so much you can take out of an economy by means of energy price increases before that economy begins to suffer and suffer seriously."

March 4, 1980: "Price increases without a commensurate improvement in supply security and appropriate distribution of oil-related revenues will be opposed." The top priority then is the development of alternative energy supplies. But there is nothing in this current budget about alternative energy supplies.

Again: "We will continue to resist windfall profits." Yet this budget does not resist windfall profits; it contributes to them.

I would like to spend a little time—actually I have some excerpts from the first gas tax in 1925 but I do not know that they would be terribly relevant.

Interjections.

Mr. Speaker: We are discussing Bill 72.

Ms. Copps: I have other material that is more relevant. I would like to talk a little bit about the kind of effect this ad valorem tax is going to have on the working people and those on fixed incomes such as the disabled. I am glad the Provincial Secretary for Social Development (Mrs. Birch) is here so she can take note that in the International Year of Disabled Persons this government has perpetrated a tax that will further deteriorate the already abominable condition of disabled people in this province.

Hon. Miss Stephenson: That is sheer balderdash.

Ms. Copps: I guess Statistics Canada then is balderdash. I will read now from Statistics Canada, which talks about senior citizens and the amount of money they spend on gasoline-related costs.

Mr. Speaker: Confine your remarks to Bill 72.

Ms. Copps: It is related to the inflationary ad valorem cost. The average, unattached person over the age of 65 spends 2.2 per cent of his or her income on automobile operation. A couple will spend 5.2 per cent on automobile operation. Five per cent of a person's income is tied into this essential vehicle.

Now we have a tax that this government has seen fit to bring about, notwithstanding the level of income of any individual, not considering the kind of inflationary effect it will have on our disabled community, on our senior citizens, on our young people who are having a rough time finding jobs and getting employment. This government has brought in a tax which will hurt the poor much more than it will hurt the rich. It is a tax which discriminates in the sense that it applies across the board without consideration for levels of income and for levels of revenue.

The senior citizens are a case in point. They are a group that will be very heavily hit by the ad valorem tax because they use five per cent of their income to operate their essential automobiles.

I would like to read what one of the members from my riding had to say about tax increases on gas: "I think people should get that money back through lower income taxes, but I doubt the government could get that money back for us." So they are not happy with the situation.

The Ontario Federation of Labour president, Cliff Pilkey, describes the budget as "a crushing document that hits hard at the ordinary taxpayer while giving the corporate sector a free ride. The minister talks of job creation but I can think of no better way to smother employment growth than to reduce consumers' spending power by a further \$600 million."

Another labour spokesman said the budget "should solidify the middle and lower income people to do something about a government that does not know what to do about inflation." This labour spokesman said the government's excuse that inflation is a federal problem is a cop-out; it is interesting to note that the Copps are speaking on behalf of the people. I notice that the minister is not speaking too much.

Let us talk about the kind of impact this ad valorem tax is going to have on women.

Interjections.

10:10 p.m.

Ms. Copps: I am a woman, in case the Minister of Education had not noticed.

Hon. Miss Stephenson: Really? I'm interested to hear the description.

Ms. Copps: In case many of you over on that side do not know, the average income of male-headed families in Ontario is \$11,905 while the average income of female-headed families is \$5,016, according to the latest census as quoted in the Sault Ste. Marie Star of May 22, 1981.

Hon. Miss Stephenson: That is 1976.

Ms. Copps: The minister can write to the Sault Ste. Marie Star to clear the record. If she would like to clear the record or if she is impugning the integrity of the Sault Ste. Marie Star, let her go ahead and write them a letter to clear the record—

Mr. Speaker: Let's get back to Bill 72.

Ms. Copps: —because I am reading from the Sault Ste. Marie Star and as far as I know, and many people in the north know, the Star is a credible newspaper.

Mr. Speaker: Order. Direct your remarks to Bill 72, please.

Ms. Copps: Mr. Speaker, I have to respond to the intervention because the honourable member is impugning the integrity of the Sault Star. The Sault Star is quoted as making these statistics. However its accuracy or inaccuracy may be stated, it was written on May 22, 1981.

Mr. Speaker: Order. Order. I would like to draw to the attention of all the honourable members that interjections themselves are out

of order. Ms. Copps, will you please proceed, direct your remarks to Bill 72 and ignore the interjections?

Ms. Copps: I am using the latest census figures as reported in the Sault Star. Anyway, the point is—and it is a point the honourable member well knows, as do most members in this House—the people who will be hit most by this ad valorem tax are single families and particularly those single families headed by women, because this is a tax which does not discriminate against the level of income. The less one has, the more one pays proportionately.

It is an ad valorem tax which, while profiting from inflation, swelling provincial coffers and doing nothing to address the crucial energy problems in this province, will hit hardest at the single parent and the mothers who are already underpaid because this government refuses to adopt equal pay for work of equal value.

Let us see what this ad valorem tax does for the small businessman. Let us see what Brian Gray had to say about it. In case the honourable member does not believe in the Sault Star, I am quoting from the Ottawa Citizen of May 20, 1981.

Hon. Miss Stephenson: I was just reminding you the last census was 10 years ago.

Ms. Copps: I trust the honourable member will write to the Sault Star to clear up the inaccuracy. I am quoting Brian Gray, director of provincial affairs for the Canadian Federation of Independent Business. He said that the introduction of the tax and the introduction of the budget was a poor night for the small businessmen strapped by the high cost of carrying inventories. He said that the federation represents 25,000 businessmen across the province and he also pointed out the fact that it will be bad news for retailers and it will have an adverse effect on consumers' purchasing power.

When I think of the groups that are truly hit by this ad valorem tax, it boggles the mind because I have many of them, many groups in my riding that are hit by this ad valorem tax.

Another group I would like to talk about is the tenants and the fact that tenants may be facing straining supplies of housing, which was mentioned in the House today, pre ad valorem. One can imagine what the ad valorem tax and the increase in the fuel cost is going to do the rent review commission. Those who bother to apply will be swamped with landlords' applications to justify superior rent increases simply to cover the cost of this ad valorem tax. Then this

very Minister of Consumer and Commercial Relations (Mr. Walker) will be able to stand up in the House and say the government must justify slightly increasing the ceilings on rental accommodation increases in order to justify the very inflationary tax this government brings in through the ad valorem.

I am sorry to say that landlords will find ways of incorporating this inflationary spiral into the cost of housing and I will point to pre ad valorem, where early last year—

Hon. Mr. Ashe: What's that got to do with gasoline? You don't burn gasoline in the house.

Interjections.

Ms. Copps: Yes, I would like more water, but the pages are gone so—could I have some more water?—give me a rest.

Early last year, and this was 1980, the latest period for which figures are available, Ottawa landlords who went to rent review were seeking annual increases of slightly less than 14 per cent and got an average of about 10.5 per cent. So this situation is existing pre ad valorem—

Mr. Speaker: I really do not see what the connection is with Bill 72.

Ms. Copps: The connection is that the kind of inflationary spiral being perpetrated by this government—I am sorry that some of the people on that side of the House do not understand the principle of economics in that an ad valorem tax of this nature, which will increase the inflationary spiral, will have a ripple effect on all sectors of society.

Some of the sectors that will be hardest hit will be the small business sector, as I have stated, the sector of senior citizens and those on fixed incomes, and the sector of tenants, because landlords will be incorporating—

Mr. Speaker: I am sure that is all very interesting but let us get back to Bill 72.

Ms. Copps: —the cost of the inflation. Landlords build buildings; landlords buy bricks; bricks are transported by trucks; trucks pay the ad valorem increase. Hence the connection.

Mr. Speaker: A very flimsy connection, if I may say so.

Ms. Copps: I think we all must extrapolate from this ad valorem tax that it will have a very serious ripple effect across the economy of Ontario. It is something we will be addressing over the next few years, and it is something we will be attempting to hang on the head of the government.

Mr. Speaker: We are specifically addressing Bill 72.

Ms. Copps: The ad valorem tax is inflationary. That is my point, Mr. Speaker. If the members on the government side cannot understand that, I would suggest they do not understand basic principles of economic policy.

The poor and the aged get less and less. This is according to the *Toronto Star*, May 20, 1981: "The very people who have caused inflation in the first place and are making it worse are getting more and more. The poor and the aged are getting progressively less and less. This is the kind of effect the ad valorem tax will have on the poor and the aged while those people who are able to profit from inflation and profit from the inflationary effect of the ad valorem tax will, in effect, be getting more without contributing anything to the economy. The poor will be getting less and less, and the aged will be getting less and less."

This gentleman, the Reverend James G. Macdonald, says he finds it very hard to believe that ours is the kind of society that allows this kind of thing to happen.

Hon. Miss Stephenson: Oh, that's a letter to the editor. That should be explained; it is not an editorial statement.

Ms. Copps: I am sorry, would the member like a further explanation? I will read the whole article in an effort to clarify it.

Mr. Speaker: Let us get back to Bill 72 please.

Ms. Copps: I have been asked for clarification, Mr. Speaker.

Mr. Speaker: I suggest that you ignore the interjections and get back to Bill 72.

Ms. Copps: I just want to clear for the record that this was published in the *Toronto Star* as a letter to the editor. This gentleman is stating the problem that he sees in the spiral of inflation: "Everywhere we see current wage settlements and annual increases," et cetera, et cetera.

10:20 p.m.

I was happy enough to pull some information out from the legislative service, which has served the opposition quite well. It talks about the power of taxation and I would relate this to the ad valorem taxation. The headline on the article is "The Power of Taxation in Creating Poverty." Obviously the members on the government side don't have to listen to this because they will be happy with fat pensions when they retire, but there are some people in this province who are facing poverty. It is something that some of them may be a little bit concerned about, if not for themselves at least for their constituents.

"Recently attention has been drawn to the power of taxation in creating poverty." This, my friends, is from Canadian Taxation of the winter of 1980. It is not a letter to the editor. It is not an article by some itinerant reporter which this government has been so quick in refuting. It is an article that is drawn from Canadian Taxation, the Bible of economists across this country. It says:—

Mr. Speaker: You are going to tie this in directly with Bill 72?

Ms. Copps: Mr. Speaker, it is talking about attention that has been drawn to the power of taxation and I am referring it to the power of ad valorem taxation in creating poverty. "As well as taxing people at a lower and lower level of income, the tax burden has also been shifting from single people and childless couples on to taxpayers with children, irrespective of their level of income. Admittedly, taxation has increased for all groups of the population, but the increase has been placed disproportionately on households with children."

I would submit that this ad valorem tax places a disproportionate burden on the very kinds of taxpayers that this government is claiming to represent and to assist.

It is a sad situation when you have an article, again in the Globe and Mail, commenting on our provincial record in taxation and on the ad valorem taxation, the headline of which is: "Alberta's Provincial Tax Is About Half Those Facing Ontario." It is interesting that the government will use Alberta as the role model to gouge the taxpayers of Ontario by introducing an ad valorem tax, but on the other hand, it refuses to instigate the kinds of tax relief that exist in other jurisdictions, including the jurisdiction of Alberta.

I would like to draw a little bit from the Financial Post. I don't want to restrict myself to the Globe and Mail, the Kingston Whig Standard, the Sault Ste. Marie Star and the Hamilton Spectator. I would like to draw from the Financial Post where the Progressive Conservatives were required to articulate—and I use the word advisedly with all deference to the member for Oshawa (Mr. Breagh)—their position on what specific tax changes they would incur if they were elected. This is another pre-election promise by the people on the opposite side of the House who make promises simply so they can break them.

I will quote from the Financial Post on what kind of tax changes the member for Brampton and the government had promised if they were

elected. "Future tax changes must take into account the financing needs of the government, the economic situation, our competitive position and the taxpayers' ability to pay. The 1980 Ontario budget did not increase taxes and there have been no major increases in provincial income and retail sales taxes for several years." This is the Premier being quoted in the Financial Post: "Given the current economic situation, and the impact of inflation on the consumer, tax increases must be avoided to the maximum extent possible in the near future."

This was the kind of Tory propaganda that we read in the Financial Post on March 14, 1981, a mere one month before this government did a complete about-face. Not only do they throw aside their fiscal responsibility and their stated need to conserve the integrity of the Ontario taxpayer in their request that they not gouge the Ontario taxpayer by profiting from windfall profits on the resource sector, they do a complete about-face and they move in to perpetrate on the taxpayer the very taxation methods they have been decrying over the last four years.

Mr. Speaker, I would like to carry on by reading from a newsletter I was lucky enough to receive. I have somehow found my way on to the Progressive Conservative mailing list and, believe me, it makes very interesting reading.

Interjections.

Mr. Speaker: Would you please get back to Bill 72.

Ms. Copps: "Keeping the promise of a bright future in Ontario means much more than an election slogan for the Davis government. It means a long-term commitment to better the economic and social wellbeing of every Ontario resident."

Mr. Speaker: Would you please get back to the principle of Bill 72?

Ms. Copps: "With the renewed vote of confidence from the Ontario electorate, the Davis government will be introducing legislation in the coming week to put this promised program into effect."

What is the legislation? What is the promise? Mr. Speaker, I have taken mere excerpts from the kind of obfuscation—

Mr. Speaker: Far too many, I might remind the honourable member.

Ms. Copps: Pardon me.

Mr. Speaker: Far too many.

Ms. Copps: Oh, excerpts. No, there are few excerpts. I have quite a few more. I will probably be going into them after the adjournment.

Mr. Speaker: No, you are clearly out of order, with great respect.

Ms. Copps: Okay, let us talk about the ad valorem tax then. The ad valorem tax is 20 per cent of the retail price. The government is profiting from inflation. Ontario gets more than Alberta from the ad valorem tax. From each \$4.50 a barrel yearly increase, the Alberta government gets 80 cents, the Ontario government gets 90 cents, and the actual cost at the pumps will be \$5.40 more a barrel.

The Ontario government is actually benefiting from oil price increases. Where are the disincentives? Where is the accountability? From the Toronto Star: "Tax increases mean an extra \$603 million in revenues rising to \$1 billion when the taxpayer is hit with the full annual toll. But in spite of this great inflow of revenue, in

spite of this incredible consumer ripoff, the deficit will grow from \$800 million to \$997 million in this year alone."

Now that is what I call fiscal responsibility. That is what I call "keeping the promise." The Premier promised when announcing the election, "We will seek a mandate to combat inflation through smaller and more efficient government avoiding tax increases and supporting those on fixed incomes, particularly senior citizens." If the minister or any government member will stand up and talk about the same kinds of positions that those very ministers and that very Premier—

Mr. Speaker: I direct the honourable member's attention to the clock.

Ms. Copps: — who were so quick to talk about pre-election—

On motion by Ms. Copps, the debate was adjourned.

The House adjourned at 10:30 p.m.

ERRATUM

No.	Page	Column	Lines	Should read:
53	1850	2	14-16	As pointed out by the operating grants committee of the Council of Ontario Universities, looking into capital

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Ontario. LEGISLATIVE ASSEMBLY

No. 56

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First Session, Thirty-Second Parliament

Tuesday, June 23, 1981

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 23, 1981

The House met at 2:01 p.m.

Prayers.

SERVICE ON MEMBER

Mr. Breagh: Mr. Speaker, I rise on a point of personal privilege. At approximately 1:46 this afternoon in my office, room 221A in the north wing at Queen's Park, I was served with a notice of action under the Libel and Slander Act by an agent, Mr. Gordon Lemon, representing Mr. K. Trusler of the law firm of Giffen, Pensa, located at 478 Waterloo Street, London, Ontario.

I believe that the serving of these papers was a breach of my privilege. I will forward a copy of the papers that were served on me to you, sir, and I ask your consideration in this matter.

I would like to know, Mr. Speaker, if you gave authority for the serving of these papers.

Mr. Speaker: Thank you very much, Mr. Breagh. I will take this under consideration. I would suggest, though, that you are quite right.

USE OF LANGUAGES

Mr. Roy: I rise on a point of privilege, Mr. Speaker. I only have the Instant Hansard of last evening, but my colleague the member for Hamilton Centre (Ms. Copps) was making a speech last night; she was addressing this assembly in both official languages. At one point the Instant Hansard recorded that she addressed the assembly in Italian. The acting Speaker (Mr. Cousens) stated, and I quote from Instant Hansard: "Ms. Copps, I am to remind you that there are two languages that can be used. The third is not allowed."

From a technical point of view the acting Speaker was quite right, that under our standing orders official status is only given to two languages. But I think you know, Mr. Speaker, because of the number of days you have been in this assembly, and all of us who have participated in debates know, it has been a long-standing tradition, depending on the occasion, that different languages are used. I have heard Italian used. I recall that when Pope John Paul II was chosen by the Cardinals to lead the Catholic Church a number of speeches were made in Polish in this assembly. There have also

been a variety of other languages used, depending on the occasion.

I hope the standing orders will not be enforced in such a fashion as to deny this tradition that has been accepted in this assembly which is that, depending on the occasion, we tolerate the use of a variety of other languages that are used by a variety of the minorities we have, not only in this province but also elsewhere in this country.

I would like you, Mr. Speaker, to look at the situation and assure the members of the assembly that the standing orders will not be used in such a way as to deny this long-standing tradition.

Mr. McClellan: Mr. Speaker, I simply want to associate our caucus with the remarks of the member for Ottawa East. We recognize that there are two official languages, and only two official languages; but we also recognize that we do live in a multicultural society. We support the suggestion made by the honourable member, that the chair exercise a certain amount of latitude with respect to the use of other languages; it should be continued in the future as it has been in the past.

Mr. Speaker: Thank you very much for drawing that matter to my attention.

STATEMENTS BY THE MINISTRY

HOME HEATING COST ASSISTANCE

Hon. F. S. Miller: Mr. Speaker, a little over one month ago, I introduced the 1981 Ontario budget. It is a responsible budget which reflects this government's unequivocal commitment to the best interests of this province and its people. That is the promise, and we are keeping that promise. At this time, I have the pleasure of announcing a program to fulfil the government's commitment to home heating cost relief.

The energy pricing scenario cast under the national energy program calls for oil and natural gas prices to continue their quick and significant escalation. Of particular concern to this government are the substantial implications for home heating costs. Home heating fuel is a very basic commodity to each and every Ontarian. We recognize this; we do not tax home heating

fuel. Yet within three years the average home owner will face yearly costs for home heating that will be at least \$440 higher in the case of oil, and \$205 higher in the case of natural gas, than today.

Therefore, to minimize the strain and ease the transition to higher costs, I proposed in my supplementary measures to stimulate the Ontario economy last fall—I think it was November 13—that temporary assistance be made available to those with limited resources. Further, in view of the national scope of this adjustment problem, I stated at that time that leadership and relief ought best to be provided at the national level. Recognizing the need for Ontario to do its share, I proposed at that time that the two levels of government explore the introduction of a jointly financed temporary heating cost increase offset program. Specific proposals for just such an arrangement were then put to the meeting of ministers of finance in December. I am disappointed to say that our proposal met with little enthusiasm and, although I continued to press Ottawa for a redirection of some portion of its energy revenue for this purpose, it has shown no inclination to do so.

This government will not allow rapid price escalation in home heating fuel to pose an insurmountable adjustment problem for low-income Ontarians. Therefore, as I indicated in my budget, Ontario now is prepared to initiate unilaterally a temporary program to offset some of the impact of heating cost increases for low-and fixed-income Ontarians and for pensioners. I would now like to announce the details of a new tax credit and complementary pensioner grant that will take effect in respect of the 1981-82 heating season.

For those under the age of 65, a tax credit equal to \$60 less one per cent of the taxable income of the principal tax filer will be added to the Ontario tax credit structure. This relief is available in addition to the existing property and sales tax credits, and will be claimed when filing 1981 tax returns next spring. Ontario senior citizen households, which as a result of the provision of pensioner property and sales tax grants no longer file tax credit forms, will receive a flat \$60 grant in conjunction with the interim grant payments, also in the spring of 1982.

Mr. Nixon: That is plus the \$50 sales tax. That makes it \$110.

Hon. F. S. Miller: That is correct.

Mr. Breithaupt: Will you send pictures too?

Hon. F. S. Miller: Pictures for sure. This program will run for three years only, and both the basic credit and the grant will be reduced to \$40 in the second year and \$20 in the third year. By phasing out the assistance gradually over this period, lower-income Ontarians and pensioners will face less pressure while coming to grips with the reality of higher heating costs.

2:10 p.m.

The temporary home heating tax credits and grants will be available to renters and home owners alike. May I point out that the benefits will not be tied in any way to the volume or type of fuel used. This means that in individual situations benefits may vary slightly from cost increases on actual consumption. However, the complexity and compliance requirements of a use-related credit would have increased administrative costs enormously. As well, it would have reduced the high degree of benefit delivery efficiency we have been able to achieve by utilizing existing tax credit and tax grant mechanisms for this essentially short-term program. In this regard, I wish to thank the federal government for co-operation in putting the tax credit program in place.

Almost 1.4 million Ontario households comprising 830,000 nonpensioner and 540,000 pensioner households will benefit from this program for the coming heating season. The credits and grants will offset up to 36 per cent and 67 per cent of average oil and gas cost increases, respectively, for recipients this winter.

I estimate that this new home heating cost assistance program will cost \$66 million in respect of the upcoming heating season and \$125 million accumulating over the next three years. This is a sizeable expenditure and a redirection of a considerable share of the revenues accruing from the new ad valorem taxation of fuel taxes introduced this year. It is an example once again of how sound fiscal planning provides the flexibility to deal with changing circumstances and needs quickly and effectively.

I am confident that the temporary home heating assistance program will be of substantial benefit, enabling low-income Ontarians and pensioners to adjust to the reality of higher costs for home heating while at the same time recognizing the fiscal and economic realities within which we operate.

ASSISTANCE TO BEEF PRODUCERS

Hon. F. S. Miller: Mr. Speaker, as members of

this House are aware, the federal tight monetary policy has created a difficult situation in the economy as a whole. Members of the farm community, particularly beef producers, have been hard hit. They are caught in a squeeze between high input costs on the one hand and depressed prices on the other. This is putting extreme pressure on Ontario's beef industry. A continuance of the current difficult circumstances could result in more bankruptcies of efficient beef producers, potentially eroding the food-producing capacity of the province.

We are deeply concerned about this vital sector of our economy. Therefore, the government of Ontario is stepping in to bring assistance to the hard-pressed beef industry.

Over the past two years the North American market for beef has been depressed. The uncertainty created by the USSR grain embargo, spring and summer droughts in the Canadian and American grain belts and high interest rates combined with the low prices resulting from the oversupply of beef in the US market have placed Ontario beef producers in a loss position.

My colleague the Minister of Agriculture and Food (Mr. Henderson) and I have been working diligently over the past three weeks to design an effective program to assist Ontario beef producers. I am pleased to announce a program that will deliver \$30 million in immediate cash benefits to sustain viable beef producers through the current difficult circumstances.

Details of this program will be announced by the Minister of Agriculture and Food in a few moments.

This government recognizes the importance of the farming community to the Ontario economy. We are reviewing a broad range of programs to ensure that the Ontario agricultural sector remains prosperous.

Hon. Mr. Henderson: Mr. Speaker, as my colleague the Treasurer has stated, the beef feeding industry has suffered severe financial hardship. The high cost of grain and energy combined with the high cost of borrowing money put many fodder producers into a loss position. In addition, when they sold their cattle for slaughter, they received less than they had originally paid for them.

The government has been monitoring this situation with a great deal of concern. Agriculture is of vital importance to this province, and beef feeders form one of the largest sectors of this industry. It is my pleasure to announce,

therefore, that the government of Ontario will make an emergency payment to producers of slaughter cattle.

The payment to producers will be \$40 per animal for slaughter cattle, as a government contribution to cover some of the loss incurred on each animal. The payment will be based on 1980 sales of finished cattle. To qualify, a farmer must have sold a minimum of 10 animals in 1980. Details of the program will appear on the application forms.

The payments made under this emergency program are expected to amount to approximately \$30 million, as previously said by my colleague the Treasurer. This program will provide some assistance to producers who have experienced substantial losses.

I should like to add that the Ontario Farm Income Stabilization Commission and the Ontario Cattlemen's Association are discussing the possibility of a beef-calf stabilization program beginning in 1981. Applications forms for the emergency beef payment will be in the agricultural representatives' offices about the middle of July.

Mr. MacDonald: Mr. Speaker, on a point of order: I think congratulations should also be extended to those thousands of farm men and women who came in and finally broke through the insensitivity of this government.

Mr. Speaker: Order. Mr. Henderson.

HOG STABILIZATION PAYMENTS

Hon. Mr. Henderson: Mr. Speaker, I am pleased to be able to make two announcements today about hog stabilization payments.

First, I wish to inform the House that Ontario's farm income stabilization payments to farmers participating in Ontario's hog stabilization plan have been made. The cheques are in the mail. The 4,246 Ontario farmers in the sow-weaner program should be receiving them this week. The payments are on nearly 190,000 sows. The total amount of the payout is approximately \$10 million or \$51.94 per sow.

2:20 p.m.

My second announcement is also one of good news for Ontario pork producers. Following my representations and the representations made by the Ontario Pork Producers' Marketing Board, the federal Minister of Agriculture today told the Pork Congress conference in Stratford that all Canadian pork producers will receive full federal stabilization payments.

Mr. Whelan initially planned to deduct \$3.63

from the \$8.96 he would pay Ontario pork producers for their four million hogs because of the money they receive from the Ontario hog stabilization plan. Now Mr. Whelan has said this is the last time he will make a full payment to Ontario farmers. In future, he says, he will reduce the payment to Ontario pork producers because of Ontario's stabilization plan.

When federal and provincial ministers of agriculture meet in Alberta during July, I will be emphasizing the importance of fair and equal stabilization programs for not only Ontario farmers but also all other Canadian farmers. At the 1978 agricultural ministers' conference in Yorkton, Saskatchewan, Mr. Whelan suggested a 100 per cent stabilization plan. At that time my predecessor, Bill Newman, told Mr. Whelan he agreed in principle. This 100 per cent plan has never been introduced by Ottawa.

The Ontario Farm Stabilization Commission will be evaluating the federal position after the agricultural ministers' conference in Alberta. The commission expects to enrol qualified applicants for the third Ontario sow-weaner period during the summer months.

COMMUNITY MUSEUMS POLICY

Hon. Mr. Baetz: Mr. Speaker, it is a pleasure to announce a new community museums policy for Ontario. All members of the Legislature are familiar with the local museums in the areas of the province they represent. All members are also aware of the ambitions of many of those museums to enhance their collections and programs. The policy I am announcing today is designed to help Ontario's community museums fulfil their important aspirations.

The new community museums policy flows naturally from a generation of provincial government support to museums in Ontario. Since 1953, when the first five provincial grants totalling \$3,000 were made to community museums, our program of financial assistance and advisory services has grown to involve approximately 230 museums receiving \$2 million annually.

When the program was established, the provincial government wanted to stimulate the growth and development of museums unique to Ontario's communities. As members can tell readily from the statistics, the program has been a singular success. But as the number of museums has increased, so has the concern about the deterioration of the irreplaceable pieces of our past they hold and the realization

that the proper care and presentation of these fragile, nonrenewable collections require special facilities and staff.

It is against this background that, last year, members of my staff undertook an intensive review of my ministry's museum support program. More than 40 public meetings were held in every region of the province. There were detailed consultations with the Ontario Museum Association and the museum section of the Ontario Historical Society, which had been active in bringing museum concerns to me.

I have studied the results of this public review very carefully, and I believe the community museums policy that has emerged will ensure that the resources available to my ministry in the coming years are organized in the best way possible to respond to the need of Ontario's community museums in these financially challenging times.

The policy embraces a number of important elements designed to enhance local museums and provide improved public service. It includes:

- more equitable annual operating grants based on a percentage of expenditures;

- advisory services expanded to include conservation supplies and information, the transportation of artefacts, loans of gifts to the crown, training seminars for boards and management committees and workshops for upgrading physical plant;

- guidelines concerning minimum standards for acceptable public service;

- financial support for upgrading existing museum facilities, conducting planning studies for museums and restoring structures of architectural and historic significance; and

- funding for provincial organizations involved in public education and the training of museum workers.

To fulfil much of this policy, I will be making some changes in the way my museums section serves community museums. One of the most important is the acquisition and outfitting of the mobile conservation laboratory that will travel throughout the province. With the assistance of the National Museums of Canada, trained conservators will be able to give to local curators on-the-spot advice on the care and preservation of artefacts.

In conclusion, I will simply say that with the announcement of this new community museums policy, I confirm this government's commitment to the community museums of Ontario and the irreplaceable pieces marking Ontario's rich history that they hold in trust for the people of the province.

ASTRA/RE-MOR

Hon. Mr. McMurtry: Mr. Speaker, today I want to provide members of the Legislature and the public with a statement on the matters involving Astra Trust Company and Re-Mor Investment Management Corporation.

Mr. Smith: Mr. Speaker, a point of privilege: Can I have a copy too. I want to have a copy of that statement, please.

Hon. Mr. McMurtry: I am sorry; I thought the copies had been sent across.

In recent weeks inside the Legislature and its committee, and outside from various public platforms, the Leader of the Opposition (Mr. Smith) and some of his colleagues have raised certain questions and made a number of unfounded allegations concerning the role of various government ministries, agencies and individuals in these matters.

For example, the member for St. Catharines (Mr. Bradley) on June 10 gave out a 10-page document containing questions he wanted answered in the Solicitor General's estimates in regard to these companies. It is worth noting that at no time has he bothered to raise those questions in the Legislature.

Mr. Swart: You don't give any answers. You block it anyway.

Mr. Speaker: Order. Mr. Bradley.

Mr. Bradley: Mr. Speaker, on a point of privilege: Throughout the estimates of the Ministry of the Solicitor General I attempted to raise those questions beginning on June 3. I was ruled out of order at that time by the committee chairman. Subsequent to that, when we finally agreed we would spend an allocation of at least one hour on the Ontario Provincial Police vote, that agreement was violated and we had approximately 22 minutes left and we were still talking about other matters. So I have attempted to raise these particular questions.

Also, in the Legislature we have asked questions of various ministers and have been unable to get answers. On some occasions, because the Attorney General has been involved in other business outside the House, he has not been here on occasions when we might have wished to ask those particular questions.

Hon. Mr. McMurtry: Mr. Speaker, I have been here for the great majority of question periods, and the honourable member has never attempted to direct a question to me. In any event, I intend to attempt to respond to these questions raised by the member for St. Catha-

rines as well as to detail the work of the various police forces and to outline the current status of the civil actions as well.

In December 1979, at the request of the chief of the Niagara Region Police Force, a joint forces project—

2:30 p.m.

Mr. Cassidy: On a point of order, Mr. Speaker: Since the Attorney General is now prepared to respond to the questions that the member for St. Catharines and other members have put forward to him—

Hon. Mr. McMurtry: They never have put them forward.

Mr. Cassidy: —will the minister agree to having the standing committee on administration of justice sit and look at these questions so they can—

Mr. Speaker: Order. Mr. McMurtry will proceed with his statement.

Hon. Mr. McMurtry: In December 1979, at the request of the chief of the Niagara Region Police Force, a joint forces project with the Ontario Provincial Police was established to investigate allegations of fraudulent activities in a land development and housing project in Welland. During the early part of 1980, a connection was established between this investigation and Re-Mor Investment Management Corporation and some of its principals.

As a result, on about April 1, 1980, two officers were assigned to start an investigation into allegations concerning Re-Mor. By mid-April, the investigation was intensified and, with the bankruptcy of Re-Mor on May 2, 1980, it became a full-scale criminal investigation. On June 13, 1980, a provisional liquidator of Astra Trust was appointed, and the investigation was again expanded.

Prior to the police involvement, the Ontario Securities Commission had been investigating another related company, C and M Financial Consultants Limited. On April 24, 1980, arrest and search warrants were executed by securities commission officials with the assistance of the joint forces team officers. Three persons were charged with a number of criminal offences at that time. The three were committed to stand trial following a preliminary hearing at Niagara Falls in November 1980.

On March 3, 1981, warrants were issued for the arrest of 10 persons charged with a number of offences of conspiracy to defraud, defrauding the public, conspiracy to steal and theft. The charges involve allegations of defrauding the public of \$35 million.

In the course of the police investigation, a total of 97 search warrants have been executed. These involved searches of business offices, financial institutions, law firms, private residences, accounting firms and government offices in Ontario and Quebec.

Owing to the number of searches and the large amount of material seized, some of these searches were not completed until February 1981. The execution of search warrants on the lawyer's offices were not delayed as suggested by the member for St. Catharines. Rather, they were effected as soon as there were reasonable and probable grounds to obtain the search warrants, which necessitated an examination of the many documents that were seized during the execution of earlier search warrants.

More than 200 file boxes of documents are at present in the possession of the OPP. Approximately 10 other boxes now are in the possession of the courts. The receivers and trustees involved are in possession of hundreds more boxes of documents that have been examined by investigators and accountants.

The accounting firm of Touche, Ross and Company, Hamilton branch, was retained by the Ministry of the Attorney General to assist the joint forces team at the outset of the original investigation. As the investigation broadened to include various related companies and other individuals, the accounting services were also expanded.

In addition to the accounting experts, the complement of the joint forces team at this time is: one acting inspector (OPP), two detective sergeants (OPP), two sergeants (Niagara Region Police), two constables (OPP) and one secretary (Ontario Police Commission). Two counsel from the crown law office have been assigned to assist the officers in their investigation and to conduct the prosecution.

Much of the investigative work has been completed, and more than 400 individuals have been interviewed in Ontario, Quebec and the United States. Approximately 100 interviews with investors in C and M and Astra remain to be conducted. There are in excess of 15,000 exhibit documents to be identified, filed, cross-indexed, copied and prepared for court presentation.

During the course of the joint forces investigation, a separate investigation was launched by the criminal investigation branch of the OPP into the granting of a charter to Astra Trust by the federal government and the subsequent granting by the provincial government of a mortgage broker's registration to Re-Mor.

That investigation has been completed and, while the final written report has not been received, I have been advised that the investigation has revealed no grounds for the laying of a criminal charge against any federal or provincial official in relation to the issuing of the federal charter or the provincial registration.

I want to advise the Legislature that several persons who were called as witnesses before the justice committee were under investigation by the Ontario Provincial Police at the very time they were testifying with respect to the matters being investigated. This was one of the main reasons why I objected to the conduct of a justice committee investigation at the same time and into precisely the same matter that was the subject of an ongoing criminal investigation.

In a list of questions submitted by the member for St. Catharines reference was made to an altered document that was examined by members of the justice committee in January. This document was examined at the Centre of Forensic Sciences, and it was found that the question mark was added after the original note was made. The police have been unable to determine who did this, but they believe it was done to change the context of the sentence, making it a question rather than a statement on the altered copy.

I can advise the Legislature that crown law officers in the Ministry of the Attorney General and OPP officers from two branches in the special services division have reviewed transcripts of justice committee hearings in this regard.

Further, I can advise that the information provided by the OPP to David Anderson in 1976 was probably in response to a query as to whether Mr. Montemurro had a criminal record.

I also want to advise the member for St. Catharines that the OPP does not have in its possession, and never did have, a recording of any conversation between John Clement and Carlo Montemurro.

I believe I have answered the questions raised by the member for St. Catharines and by the Leader of the Opposition in regard to the police investigations. I think any fair-minded person can see that the investigations have been wide-ranging and detailed. I can assure you, Mr. Speaker, the prosecutions that flow from these investigations will continue to be vigorous.

I want to turn briefly to the civil actions arising from the losses by the investors. In the civil actions that have been brought by a large number of investors against the crown and Mr.

Weinstein, the then registrar of mortgage brokers, we are co-operating with all counsel to bring a single representative action or test case on for trial at the earliest possible date. We have been able to agree on a case in which there are 19 plaintiffs, and we expect the case will deal with most, if not all, of the different factual situations that have occurred.

Pleadings have been exchanged in this action, and we are now working out the arrangements for examinations for discovery to take place during the summer. In this connection there is an application to the court, returnable on Thursday of this week, to determine the scope of section 25(b) of the Mortgage Brokers Act, which imposes a very stringent obligation of secrecy upon Mr. Weinstein and upon all other persons involved in the administration of the act.

We are taking the position on the motion that we want to be able to make full disclosure on discovery and full production of documents, that we are not raising any argument of crown privilege and that section 25(b) does not in any event bind the crown so that the crown, as defendant, is at liberty to produce documents otherwise covered by section 25(b). Once this question has been clarified, we will proceed to discoveries, making the widest production of information and documents from the government files.

When discoveries are completed, we have agreed with counsel for the plaintiffs to request from the chief justice the earliest possible trial date, which we hope will be this fall. We have also agreed to pay the solicitor and client costs of counsel for the plaintiffs in this case.

The statement of claim of the plaintiffs alleges that the crown, its servants and agents were negligent in issuing a mortgage broker's licence to Re-Mor Investment Management Corporation. The claim sets out the particulars of the negligence. The court will be asked to determine whether the crown, its servants and agents were negligent. In other words, the negligence is the essence of the case. Therefore, it should be obvious that all of the circumstances surrounding the registration of Re-Mor will be revealed in evidence adduced at trial. Unfortunately, the opposition has been attempting to obscure this fundamental fact.

By proceeding now with this one case rather than waiting until pleadings and discoveries have been completed in all cases and a date for trial fixed when all the cases could be heard together, we are expediting the resolution of the

legal issues and shortening the time for resolution, I suggest, by at least one year and probably two years.

2:40 p.m.

My colleague the Minister of Consumer and Commercial Relations (Mr. Walker) will be making a statement later in the week that will include an update on his discussions with the federal government, which obviously has a major responsibility for the losses in view of its licensing of Astra Trust. Federal involvement would certainly assist significantly in a just resolution of the outstanding claims.

ORAL QUESTIONS

ASTRA/RE-MOR

Mr. Smith: A question for the Attorney General arising from his statement, Mr. Speaker: The Attorney General will remember that famous day when he sent people from the crown law office to tell us that, because of the possibility of the laying of a criminal charge against some provincial official, it would be best for the justice committee to forgo the possibility of looking at the Re-Mor and Astra Trust records.

Now he has stated in this House that no criminal charge will be laid against any provincial official, what possible reason still exists in the mind of the Attorney General to prevent the House, and the justice committee in particular, from pursuing its investigation to look into the way in which various people within the ministry and within the Ontario Securities Commission have conducted themselves on the matter of Astra Trust and Re-Mor, and into the ways in which government policy was devised and implemented at the ministerial level? What conceivable reason is there now for denying the justice committee the opportunity to pursue that investigation?

Hon. Mr. McMurtry: Mr. Speaker, I thought the answer would be obvious even to the leader of Her Majesty's opposition, but that is presuming a level of intelligence that is unrealistic. I have made it very clear, on this and earlier occasions, that there are a number of criminal charges before the courts, that there are a number of civil actions before the courts and that in the process of this litigation all these relevant facts will be adduced.

Unfortunately, there are members of the justice committee who have indicated by their conduct in the past that they are not very interested in these individuals having a fair trial

in the criminal courts and the civil courts. As the senior law officer of the crown, I am very much concerned, as the Leader of the Opposition and all members should be, with the preservation of the integrity of the administration of justice in so far as having these matters properly litigated in the criminal and civil courts is concerned. This should not be litigated before a justice committee, which obviously is not established for this purpose.

Mr. Breithaupt: Mr. Speaker, on a point of order: I direct your attention to items 8 and 9 of rule 19(d) with respect to allegations made against another member or the imputation of false or unavowed motives to another member. I suggest, with respect, that the Attorney General in his comment that various members of the justice committee are not interested in achieving proper results in this matter is in breach of those two items. I ask him either to withdraw that comment or to name the persons he thinks are attempting to pervert or divert justice, as I find that to be a very serious allegation.

Hon. Mr. McMurtry: Mr. Speaker, we hear allegations from across the aisle every day that are much more serious.

Mr. Smith: Name them or withdraw.

Mr. Speaker: Order. I think if you read items 8 and 9—

An hon. member: Read them out.

Mr. Speaker: No, I will not. Item 8 says, "makes allegations against another member," and item 9 says, "imputes false or unavowed motives to another member." My interpretation, off the top of my head—and I would like some time to consider it—is that he may have been expressing an opinion, but I would like to reserve judgement on it.

Mr. Smith: How can the Attorney General continue to suggest that the justice committee should be denied its opportunity to pursue the matter?

Mr. Speaker, I know you are busy, and I realize the Premier (Mr. Davis) is busy, but this is a very serious matter. I beg to be heard by the Attorney General.

How can the Attorney General suggest the action in the justice committee would interfere in some way with a fair trial for Mr. Montemurro and his associates? It has been made abundantly clear that the only item the justice committee wishes to look into—and certain opposition members of the committee wish to look into—has to do with the way in which ministry persons and

persons employed by the Ontario Securities Commission did or did not carry out their jobs properly, within the law and within government policy.

How can it be suggested that this would interfere with the trial of Mr. Montemurro, when such criminal activities, or possible criminal activities, are not even going to be looked into? It has never been the desire of the committee to do that.

Further, how can the Attorney General assure us that all matters pertaining to government action will be brought out by the lawyers in the civil action? How can he predict that? How can the minister stand and say with certainty that the conduct of the Ontario Securities Commission will be looked at in the civil action? How can he say with certainty what the lawyers for the plaintiffs are likely to adduce before the courts?

Surely the government has some responsibility to the Legislature, and through the Legislature to the people directly, without depending on how some lawyer chooses to conduct a case in the civil courts. Will the Attorney General therefore withdraw the red herring that the justice committee—or a royal commission, for that matter—would interfere with anyone's criminal trial? Will he recognize that the only persons possibly being protected by the government's action with regard to the civil trial would be the government itself?

Hon. Mr. McMurtry: It is quite obvious by what went on in the past that the issues related to both the criminal trials and the civil cases were matters of great interest to the justice committee. Certainly there are always problems when matters of public interest have to be dealt with at the same time as there is litigation before the courts. Often we are prepared to answer specific questions with respect to matters of public interest notwithstanding that these matters are before the courts. We do so in such a way as not to create, either in reality or the perception by anyone, of any unfairness to the litigants. There is no question but that often this will be appropriate.

Voluminous documentation is going to be part of the criminal process. We have already experienced grave difficulty in proceeding before the justice committee when a subcommittee had to be set up to monitor the documents to protect the integrity of the criminal trials.

In so far as the civil cases are concerned, these cases are based on wide-ranging allegations of negligence involving all responsible

government ministries, agencies and officials. These matters are going to be explored in great detail in the courts, where they should be explored this fall. It is inconceivable to me that any of this relevant information will not be forthcoming in so far as the civil trials are concerned.

I have received a number of comments from members of the legal profession in this province with no political axes to grind who have expressed the gravest concern about the attempt of justice committees, which are not set up as courts of law, to deal with issues that are before the courts.

Mr. Smith: I have not received one. Table them.

Hon. Mr. McMurtry: I can tell the honourable member it is calling the credibility of this Legislature into very serious scrutiny in this respect. I think the member should be aware of that.

Mr. Smith: Table those comments. That's a lot of rubbish. I've talked to a lot of senior lawyers who don't agree with you.

Mr. Speaker: Order.

2:50 p.m.

Mr. Cassidy: Mr. Speaker, I happen to have received a number of communications from members of the public, including people who lost their life savings in the Re-Mor affair, suggesting the credibility of the government was at stake because of the arrogance with which they were resisting any attempt by the Legislature to investigate the Re-Mor affair.

My supplementary question to the minister is this: Since the government clearly decided in cabinet a few days ago that the arrogance with which it was being labelled was going too far and it had better do something about it, and since the government therefore has come up with payments to beef and hog producers and the heating oil plan, is the government prepared to show that it really has changed its spots, by submitting itself to a continuation of the discussions within the justice committee in order that the members of the justice committee can look at all of the ramifications of what the Ontario Securities Commission did and the possible negligence by the civil service; or, in fact, at heart does the government remain as arrogant as it ever was in refusing to allow this House to investigate this affair?

Hon. Mr. McMurtry: Mr. Speaker, a number of us on this side of the House have been working very hard for a just resolution of these

issues and are not just engaging in the cheap political grandstanding with which these people are preoccupied.

Mr. Kerrio: Supplementary, Mr. Speaker: In view of the fact that some 15 years ago, Atlantic Acceptance Corporation Limited, under the same circumstance, with the same licensing from this very government, was given a mandate to do the very same thing, and some of those cases have just been resolved in the last six or eight months, how can the Attorney General stand here and assure the people of Ontario that he is now going to do it, when the government made that same promise 15 years ago and the same things have come to pass again?

Hon. Mr. McMurtry: I do not see the relevance this has to the issue before the House, Mr. Speaker. Perhaps if the member wishes to acquaint me further with what happened, I may see the relevance. I do not think either he or I were here 15 years ago. I think we are dealing with this issue as effectively as we can, as fairly as we can, and we are going to continue to do so.

Mr. Smith: Mr. Speaker, I have a question to the Minister of Consumer and Commercial Relations on this same matter. I want to pursue the issue of the warning letter that was sent to the ministry in July 1979, which told the government that Astra Trust was acting as a front for Re-Mor.

Never mind that Re-Mor should never have been licensed in the first place, but keeping in mind that an additional \$3 million had been deposited since July 1979 by unsuspecting investors, can the minister inform the House whether Mr. Terhune, who was told of the letter by Mr. Roach, simply took it upon himself to ignore the warnings in the letter, or did he talk to anyone else about the letter that Mr. Roach drew to his attention? Was it Mr. Terhune's decision to talk to no one else, or did he discuss that letter with anyone else?

Hon. Mr. Walker: Mr. Speaker, as far as I am aware—and I have not asked Mr. Terhune whether he talked to another person on the matter—the person who received the telephone call from the lawyer who said, in effect, "Do nothing in respect of the matter if we get paid," and that the matter had been resolved from their point of view—to the extent that that telephone call was received from Mr. McGlynn, the person who had written in and complained, to my knowledge that was exactly what was done. How many times does the member want me to tell him that?

Mr. Smith: I find it absolutely shocking that the minister would not have inquired of Mr. Terhune as to who else Mr. Terhune discussed that key letter with.

Let me ask this of the minister: Given that Mr. Terhune in July 1978 had held a meeting on the subject of the Astra agency fund with Harry Bray, with Murray Thompson, with a number of officials on the suspicion of an unlawful distribution, of an unqualified pool fund; given that Mr. Terhune met with Mr. Baillie, with Mr. Bray, with Mr. Bigham, with Mr. Thompson and with Mr. Janda in October 1978 on the condominium matter of Astra Trust; given that Mr. Terhune met with almost everyone from the Ontario Securities Commission and the financial institutions division on the subject of Astra Trust and C and M; given that he was meeting on a regular basis with everybody in his ministry on this number one problem, how can the minister possibly accept the fact that, when confronted with a four-page letter detailing exactly the way in which a scam was occurring in the Hamilton area with regard to Astra and Re-Mor, he would decide to ignore the letter totally and not even phone to get further details about it simply on the basis that those folks got their money back?

Given that this was the number one issue before Mr. Terhune at that time, how can the minister blandly accept that he simply decided to ignore the matter?

Hon. Mr. Walker: It was not very difficult at all to accept that position. The essence of the letter sent in by Mr. McGlynn was that people did not get what they thought they were getting in information and in documentation. We often deal with those kinds of communication problems that come into the ministry.

As I said yesterday, in the light of hindsight perhaps a different decision might have been made. But with the information that was available, and because of the fact that the letter basically had been withdrawn by McGlynn by saying, "Look, the matter is done with; you do not have to do anything about the matter, because basically it is resolved"—given that kind of telephone call from McGlynn; given the kind of memo on file, which the member has now seen; and given the letter that was subsequently sent by McGlynn, which said, "Oh, yes, we have been paid in full," is it any wonder that they would not proceed to do anything about it?

Mr. Smith: It sure is a wonder.

Hon. Mr. Walker: Well, it may be a wonder to

the leader of the opposition; he has many things that are wondrous to him. But it was a relatively reasonable thing to do under the circumstances—

Mr. Smith: I want Mr. Terhune questioned. It is a wonder that people lost \$3 million more because of that.

Hon. Mr. Walker: Well, come on. The member should be a little cautious about some of the comments he is throwing around.

Mr. Speaker: Order. Ignore the interjections.

Hon. Mr. Walker: I will ignore that interjection, Mr. Speaker, and I will ignore the member for the moment.

Mr. Renwick: Supplementary, Mr. Speaker: Having regard to the allegations that have been made day in and day out by the Leader of the Opposition with respect to this correspondence, which raised very serious questions, and having regard to the statement made a few minutes ago by the minister's colleague the Attorney General indicating that a criminal investigation was carried out into two matters but neglecting to say that a criminal investigation was carried out into the registration in Ontario of Astra Trust, will he as minister seriously consider asking his colleague to have a criminal investigation made to cover what is obviously a gap in the report that the Attorney General reported today as having been completed but not yet received?

Hon. Mr. Walker: Mr. Speaker, I do not believe there has been any gap in the criminal investigation. It may not have been fully elucidated in the comments made by the Attorney General, but so far as I am concerned the investigation was extremely thorough. Of course, I was not in the ministry at the time, and I am just going on the basis of information supplied to me, but I gather that Inspector Roberts, who was the lead authority, on going through every single individual in the ministry with whom he could possibly come into contact, was absolutely and fully satisfied. So I am led to believe by his investigation that there is absolutely nothing to be concerned about from the point of view the member is raising.

Mr. Smith: The minister keeps referring to the fact that all Mr. McGlynn wanted was a certain amount of information, or that the Ramseys were just unable to get a certain amount of information. Since the fundamental amount of information they were unable to get is exactly what they were getting for their money; since the fundamental matter, the choice they wished to exercise, was where their money would go; since detailed lists of the

practices of Astra and Re-Mor were provided, not just a request to get the money back; and since Astra was the number one matter on the plate of Mr. Terhune at the time, how can the minister accept that this was merely one of thousands of letters, crank calls and so on that he happens to get from time to time?

Will the minister stand up and deny, if it is not true, that, because action did not occur from the time that letter was received, another \$3 million was deposited by unwary investors with those particular persons?

Hon. Mr. Walker: Had the member received this letter, in my opinion he would have come to the conclusion that the ministry did. When he keeps talking about Astra, he has to keep in mind that it is a federal company and that the federal government was the one that was monitoring the operation of the Astra Trust Company. I ask the member to please understand that. I wish he would keep that in mind.

3 p.m.

When I read that the members opposite are not interested in that aspect, I cannot believe they would be saying that. That is the way it was, and if the Leader of the Opposition had received this letter—I will just read the last paragraph of the letter:

“The Ramseys now find themselves with an \$80,000 investment, which substantially represents their life savings, with a lender and borrower of whom they know nothing for security which may or may not be adequate and supported by the guarantee of the company which may be totally inadequate to cover its obligations in the event of default without”—

Mr. Smith: Yes. The warning the company is about to go bankrupt.

Hon. Mr. Walker: Come on, slow down a bit and listen. Just bear with us for a moment. Let me read the paragraph again for the Leader of the Opposition. Will that help?

—“the guarantee of the company . . . may be totally inadequate to cover its obligations in the event of default without any opportunity to assess their investment or to obtain independent advice as to the merit of the investment. I would appreciate your reviewing this situation and look forward to receiving your comments.”

In the light of that, the same day a telephone call was received from Mr. McGlynn. “McGlynn asked this office”—I am reading from the memo—“not to act on his complaint but to keep

the file open until he sends a written confirmation from him to confirm that his client has received his funds in full and is satisfied.” At that point—

Mr. Smith: It was the hottest issue in the ministry.

Hon. Mr. Walker: Oh, come on.

Mr. Speaker: Order.

Hon. Mr. Walker: Oh, come on. Calm down. The Leader of the Opposition should not put his finger up that way. He should be pointing with his left finger instead of his right finger. He is getting mixed up in his fingers, and he is going to start stretching a point here.

Mr. Speaker: Order.

Hon. Mr. Walker: There is that, plus the letter that was received, dated July 31. The matter was treated in the way most matters would be where people offer a complaint—

Mr. Smith: I want to know why it was treated that way.

Hon. Mr. Walker: Calm down a moment and everybody will be happy.

Mr. Smith: I am not calm. I have to deal with these people who have lost their money. When they lose their money, they don't go to your office; they come to mine.

Hon. Mr. Walker: I know. The member does not need to tell me he is not calm. I know that. I am asking him to be calm.

Mr. Speaker: Order. Will the minister address himself to the main question, please?

Hon. Mr. Walker: Is that about the calmness?

Mr. Sargent: Tell the truth.

Hon. Mr. Walker: I can assure the honourable member we are telling the truth. That is right. That is a fact.

Mr. Smith: Oh, sure. You are stonewalling and covering up.

Hon. Mr. Walker: Come on; be careful.

The letter that was received, dated July 31, basically said the matter could now be resolved in view of the fact the money had come forward.

Mr. Smith: It said they could have their money back, and nothing more. I read the letter into the record.

Hon. Mr. Walker: Yes, that is right. Then the Leader of the Opposition should have knowledge of what it says. He should not be standing there saying those things.

GOVERNMENT ADVERTISING

Mr. Cassidy: Mr. Speaker, I have a new question for the Premier. Marketing magazine now finds that, whereas in 1979 Ontario's government advertising in Canada made it the ninth largest advertiser in the country, in 1980 there was such an increase that we moved up from ninth to sixth and the government's advertising was up by 50 per cent to just under \$18 million. Can the Premier say whether that extraordinary increase in government advertising had anything to do with the fact that 1980 was a pre-election year?

Hon. Mr. Davis: Mr. Speaker, not a thing.

Mr. Cassidy: Given the fact that in 1980 the Ontario government spent more on its advertising than Ford, General Motors, Seagram, Imperial Oil, Standard Brands, Kellogg Salada, Chrysler, Nestlé, Johnson, Argus Corporation, more even than the Bank of Montreal, and given the fact that the Ontario government's advertising was equal to more than the combined advertising of McDonald's and Coca-Cola, is it true that nobody can do it like the Tories can or is it simply that March 19 was the pause that refreshes?

Hon. Mr. Davis: Mr. Speaker, I have to say the leader of the New Democratic Party is quite right. March 19 was a very refreshing day for the people of this province. That is quite clear. I do not debate that for a moment.

I listened to the list. The honourable member might discover that this government in its own way has been more successful than nearly all of the organizations he mentioned. Our budget probably is somewhat higher, our business is greater and we are dealing with 8.5 million constituents. We are not restricted just to those who like hamburgers or those who like a particular model of vehicle; our public is 8.5 million people. I think the leader of the New Democratic Party would find, and I am sure he would not oppose this, that a good order—

Mr. Sargent: And most of them did not vote for you either.

Hon. Mr. Davis: Before the member for Grey-Bruce (Mr. Sargent) retires, he will probably vote for us too, the way he is coming around. How can he be so left of centre as to support the recent philosophy of the Liberal Party of Ontario? I expect to see him over here, a free enterpriser like him, somebody committed to free enterprise; he cannot be associated any longer with that party.

He may find part of the advertising may be for

Wintario—I am not sure of that—or Lottario, and I know he would not want those lottery schemes to be unsuccessful. So many Liberal members come to me and to the minister saying, "Can we have some of that Wintario money for the projects in our riding?" I have had some of the member's colleagues come and say these things to me.

I think of the information program for the senior citizens—look at the member for Oshawa (Mr. Breaugh) chuckling, because he knows what I am saying is true—and ask if the member would not want us to communicate with the senior citizens of this province? Should they not know about the tax credits available? Are these hundreds of thousands of Ontario citizens not to be informed, not to reap the benefits of the enlightened policies of this government which, incidentally, the member supported until the time came.

Mr. Speaker, I think that is a very full and adequate answer.

Mr. Nixon: Supplementary, Mr. Speaker: Is the Premier aware that the questions on the Order Paper dated April 30, referring to each of his ministries, asked for specific information with regard to the cost of advertising? The only answer we have been able to get out of the Premier or any of his ministers so far is that the information would be available in mid-June. It is now June 23. Is he waiting for the House to adjourn before this information is made public, or what?

Hon. Mr. Davis: Mr. Speaker, at the rate we are progressing I expect there will be ample time to answer. But I expect it will be tabled very shortly.

Mr. Nixon: And where is the information? Why don't you get it together? Don't you pay these people enough?

Hon. Mr. Davis: No, I guess the truth of the matter is we probably do not, but we will have that information.

I just want to add one other thing about government advertising. I was visited by some constituents of some members opposite from the Ontario Fruit and Vegetable Growers' Association, a very important group of people in this province. They said to me, "Mr. Premier, will you please make sure that the excellent advertising by the Ministry of Agriculture and Food, 'Good things grow in Ontario,' is not only continued but also expanded?" It is important to them, and I thought I would let members know that.

Mr. Foulds: Supplementary, Mr. Speaker: Is the minister aware that the information that is being sought on the Order Paper was prepared for last session and the cabinet decided not to present it in December of last year, when it was available and similar questions were asked?

Is the Premier aware of a memorandum from the provincial auditor who in his very cautious language indicated that he is extremely concerned about the way government advertising is accounted for? He said, "We have determined that some advertising costs have been included in the services code, 71, 'other services,'" and he concluded that more than \$23 million was spent in the fiscal year ended March 31, 1980—and that does not total all of it.

Is the Premier aware that this year the Minister of Energy has included or hidden, in the energy conservation program, \$2.5 million of expenditures, as well as the \$1.4 million it has identified as advertising expenditure?

Can the Premier tell me why his people killed my bill, which would have prevented government advertising from benefiting the political party in power?

Hon. Mr. Davis: Mr. Speaker, I am sure the honourable member expects it will take me some time to answer what I calculated were six questions. I will deal with the last question first.

The government did not kill anything. We just did not happen to agree with the member, as he does not agree with us on some issues. If his party wants to take that position—which it does not in Saskatchewan, incidentally—he should take a look at the Saskatchewan government's public relations or communications budget, whichever term he wishes to use. He will find it is not insignificant on a per capita basis, compared with Ontario's. He will find that is true of many other governments as well. Compared to the government of Canada, our sums are almost modest by comparison.

I would say we do not agree. As a government, we think we do have not only a right but an obligation to communicate to the public. As I say, and they were in there—

3:10 p.m.

Mr. Cassidy: It was 50 percent more in an election year.

Hon. Mr. Davis: Let me finish. I did not interrupt the member in his lengthy question; so I expect the same courtesy. I do not really expect it, but I am asking for it.

I say to the honourable member that the representatives of the agricultural community

who were in to see me the other day were not insistent, because they are too polite, but they were most supportive of this government's program with respect to encouraging Ontario citizens to buy Ontario produce.

I think the member might even find that the member for Huron-Middlesex (Mr. Riddell), though he would not be quoted, might even be in support of it himself. He cannot say it out loud; I understand that. That is why we do not agree with the bill. I do not think that should come as any surprise to the member at all.

I am not aware of the breakdown within the Ministry of Energy or the total. However, I say to the member that I have heard some of his colleagues make speeches about energy conservation. I have heard the member for York South (Mr. MacDonald) make some eloquent speeches about energy conservation. In fact, I thought that was really part of the policy of the member's party during that 44-day period.

I think it is only consistent, on the assumption that information for the public does generate some public thought, that it will result in some energy conservation. I think most surveys will show that advertising or communications with respect to energy conservation do lead to energy conservation. I think the investment made by the Minister of Energy (Mr. Welch) perhaps could be pursued in terms of actually reducing our consumption as a province well beyond the figure that has been used.

Now, what was the third question the member had asked me?

Mr. Foulds: That's enough.

Hon. Mr. Davis: That is enough? Thank you very much.

RECRUITMENT OF NURSES

Mr. Cassidy: Mr. Speaker, I have a question for the Minister of Health. Can the minister explain why it is that the Toronto Western Hospital is recruiting in the United States and the United Kingdom for nurses, Women's College Hospital is recruiting in England and the Sick Children's Hospital is recruiting in England as well, when the registry of the College of Nurses of Ontario shows that at this moment there are 7,612 nurses in Ontario unemployed and looking for nursing jobs?

Hon. Mr. Timbrell: Mr. Speaker, if the honourable member will take the time to look at the very good report that has been prepared for my ministry and for the Ministry of Colleges and Universities by the Registered Nurses' Associa-

tion of Ontario on the question of the nurse supply, he will find there are a variety of reasons.

I think he will also find that in the main the recruitment to which he refers is for highly specialized nurses. Our shortages in the main tend to be in specialized areas: emergency, intensive care, surgical nurses and so forth.

If memory serves me correctly, and maybe my colleague can help me, I think they identified in the order of 30,000 registered nurses in Ontario who are not now in the work force. That is not to say they want to be either, because perhaps there are other factors that dissuade some people. Maybe they have continued to maintain their qualification and membership in the RNAO and the college but are raising a family. In other cases, it is because of shift work; they do not want to do that. There are a variety of reasons. But I think the member will find, if he checks into it, that where they are recruiting they are looking for specialty nurses in the main.

I should point out as well that at the same time, other hospitals in other states and countries are recruiting here for general nurses, if I can call them that. That is not a proper category, but I will call them that for the moment.

Mr. Cassidy: The minister says specialty nurses are being sought abroad. Can he explain two things then? First, why is it the ministry has not established specialized training programs at the community colleges to permit those nurses who are now unemployed and looking for work to train into the specialties where the need happens to be the greatest?

Second, when there are more than 7,000 nurses unemployed but looking for nursing jobs, why is it that Toronto Western Hospital is closing 52 beds this summer because of nursing shortages? Why is Humber Memorial Hospital closing 90 beds because of nursing shortages? Why is Toronto General Hospital having to close 100 beds because of nursing shortages? Is it not a fact that those hospitals were hit by a combination of nursing shortages and budget restraints, which is forcing them to cut back on needed services?

Hon. Mr. Timbrell: On the last point, the honourable member should be reminded again that spending this year, at the time of the announcement of the budgets, represented an increase of more than \$300 million over last year. To be added to that are adjustments yet to come for wage and salary settlements for 1980-81 and 1981-82. The spending increases for

hospitals this year, as in all years, are very significant; but this year they are the highest ever.

I will be very surprised to find an unemployed nurse who cannot find work in this province. There are positions in various parts of the province. The member for Rainy River (Mr. T. P. Reid) and I have discussed the fact that in the communities of Fort Frances and Rainy River they are facing a shortage of nurses. I will be interested—if the member will give me the source of his statistics and some examples—to find any nurse who wants to work full time in this province and cannot find a position.

The member talks about the training programs. The training programs essentially will have to be done in co-operation with the hospitals. I think that was identified in the report by the Registered Nurses' Association of Ontario. I also recall, if memory serves me correctly, that it said a simple increase in enrolment would not answer the problem. Rather, it identified specialty areas that required attention and called on us to establish an ongoing planning committee for nursing manpower, to which I readily and immediately agreed.

Further recommendations with respect to the Ministry of Colleges and Universities—the member for Bellwoods (Mr. McClellan) has a tick.

Mr. McClellan: I do not think you are being totally candid.

Hon. Mr. Timbrell: Further recommendations will be followed up by the Ministry of Colleges and Universities.

Mr. Sargent: The minister's advice is like the doctor who gave a guy six months to live and, when he did not pay his bill, gave him another six months.

Hon. Mr. Timbrell: Is the member the living proof?

Mr. McClellan: Supplementary, Mr. Speaker: Going back to the question, the minister made some gratuitous comments about looking at the excellent task force report on nursing shortages published by the RNAO in April of this year. Has the minister formally responded to the RNAO, indicating which of its recommendations he intends to accept?

Second, will the minister explain why he has still not implemented the recommendations of the 1975 nursing manpower task force report, which contained some of the same recommendations that were made again in April 1981, including the one he just referred to, that a

provincial nursing manpower committee should be established to identify problems and trends in nursing manpower? There are a number of other current recommendations that are also six years old and have been awaiting action for the last six years. Why is that?

Hon. Mr. Timbrell: Mr. Speaker, since 1975 we have gone through another cycle in the question of nursing supply. As the member will recall, a couple of years ago, large numbers of graduates were not able to find employment because we had an oversupply. We felt it would be better to work with the profession. In fact, we said to the profession: "You know your field best. Will you look at your problems in the nursing profession and come up with some recommendations that you, as professional nurses, believe will be workable?"

They have done this. I met with the representatives of the RNAO—and I am afraid I do not recall the date—including the current president, and I believe the president-elect was there also. We went through the report, and I indicated at that time that I accepted their recommendations. Work has begun to establish this ongoing committee. Subsequently, they met with the Minister of Colleges and Universities (Miss Stephenson) and, I believe, received an equally positive and encouraging response. The member may want to ask the minister a question later on in question period as to her response to their report.

Mr. Speaker: New question, Mr. Roy.

Mr. Roy: I had a question for the Minister of Consumer and Commercial Relations (Mr. Walker). Is he under the gallery some place? Possibly if my colleague the member for Kitchener (Mr. Breithaupt) will ask his question, I will wait until the minister comes back in.

FLUORIDATION OF WATER

Mr. Breithaupt: Mr. Speaker, I have a question for the Minister of Health. Since the fluoridation of community water supplies is well known to be a positive method of preventing tooth decay, especially in children, is the minister now prepared to bring in province-wide legislation to introduce this preventive health measure into all community water supplies?

Hon. Mr. Timbrell: Mr. Speaker, the policy of the government is to maintain local options.
3:20 p.m.

Mr. Breithaupt: If the minister is of that view, will he at least present amendments to the

Fluoridation Act in the fall so that the referendum question can be intelligently phrased in a positive "yes" or "no" manner, instead of the present rather convoluted form for discontinuing, where "no" means "yes" and "yes" means "no"? Would it not be better to ask whether one wishes to continue it so that those who wish it will know to say "yes," rather than the discontinuing point of view? Surely that would be a positive way of developing that theme. I hope the minister might give that some interest.

Hon. Mr. Timbrell: I will be delighted to.

Mr. Stokes: Supplementary, Mr. Speaker: While the minister is looking into that, can I ask him to ask his colleague the Minister of Government Services why he is importing water from outside that is not fluoridated? If Toronto water is good enough for everybody in Toronto to drink, why should it not be good enough for members and staff? Here in all the lobbies we have unfluoridated water that is being imported by the Ministry of Government Services at additional cost. Will he ask him that at the same time?

Hon. Mr. Timbrell: The honourable member should perhaps direct the question at the appropriate time to the minister. I know nothing of that particular situation.

ANTI-CATHOLIC LITERATURE

Mr. Breagh: Mr. Speaker, I have a question for the Attorney General. It concerns publications distributed by a Toronto group known as Christ is the Answer, Incorporated.

I want to ask the minister whether it is legal in this province to issue publications containing statements such as: "86 per cent of those in the priesthood are undergoing psychological and psychiatric treatments; that Jesuit priests are trained as spies to infiltrate and subvert Protestant churches and seminaries; that a computer in the Vatican contains the names of every Protestant church member in preparation for a new inquisition; that the Reverend Jim Jones of the Jonestown massacre in Guyana was a powerful warlock and well-trained Jesuit; that the Irish Republican Army is commanded by Jesuits under oath; that the Roman Catholic Church, in union with Communists, Zionists and Masons, controls world banking, commerce and the media; and that Catholic girls sleep with Protestant pastors to discredit and subvert Protestantism." Is that legal?

Hon. Mr. McMurtry: Mr. Speaker, I am sorry I did not hear the name of the publication. If the

honourable member will give us a copy of the publication, I will be happy to have our crown law officers review it.

It certainly appears, in general terms, to offend the hate literature sections of the Criminal Code. As the member can appreciate, that section is a rather complex one. One would have to look at the whole context. It certainly does appear to be a very scurrilous publication.

Mr. Breagh: The name of the organization is Christ is the Answer, Incorporated. The member's ministry has had these documents since the beginning of May. Are we going to get a speedy answer to this particular problem, or will we have the ridiculous situation of one church suing another church for libel and slander?

Hon. Mr. McMurtry: If our law officers have been reviewing the publication since early May, I expect we will have a response shortly.

HOG STABILIZATION PAYMENTS

Mr. Eaton: Mr. Speaker, I have a question for the Minister of Agriculture and Food. I want to ask the minister whether he is aware of a fine new publication being put out in commemoration of the opening of the Pork Congress today?

Mr. Breithaupt: He's the centrefold.

Mr. Martel: Mr. Pork Barrel 1981.

Mr. Speaker: Order.

Mr. Eaton: I want to indicate that I am seeing that each member of this House will receive one of these collector's editions of PlayBoar.

Hon. Mr. Henderson: Mr. Speaker, the Pork Congress people are a very happy group today. Yes, I was aware of the publication.

Mr. McKessock: Supplementary, Mr. Speaker: I want to ask a question of the minister in regard to the Pork Congress. In the announcement he made today, why did he not bring forth an interest rebate so the pork producers and the cow-calf and feeder people could have had some help, as well as the people who finish cattle? If there had been a rebate, then these other people who also have financial problems could have benefited from the minister's program as well.

Hon. Mr. Henderson: Mr. Speaker, I felt that I explained it fully. I suggested that the government of Canada had withdrawn its objections to the provincial hog stabilization program. I suggested that Ontario would be paying out \$10 million this week under that program.

I might go back to an announcement that I made in this House about three weeks ago. I

think the honourable member was here. At that time I stated that about four million hogs are produced for slaughter in Ontario. I think it was \$8.98 per hog that the government of Canada was paying, or about \$35 million. Those applications are in the mail, and the federal minister clarified that today; so the total stabilization that will be available to the hog farmers in Ontario is approximately \$45 million.

Mr. MacDonald: Supplementary, Mr. Speaker: The Treasurer (Mr. F. S. Miller) said in his statement prefacing the minister's announcement with regard to the beef stabilization, "We are reviewing a broad range of programs to ensure that the Ontario agricultural sector remains prosperous." Are we to assume that in addition to today's beef and hog announcement there is more in the mill to be ground out before this session lifts?

Hon. Mr. Henderson: Mr. Speaker, the Treasurer of this province is a very honourable man. He has never misled this House, and his words are exactly correct. The member can count on every word that our Treasurer says. There will be other programs.

Mr. MacDonald: Mr. Speaker, on a point of order: I specifically asked the minister whether we are going to get more announcements before the House lifts. He specifically did not answer that.

Hon. Mr. Henderson: Mr. Speaker, I am sorry I did not hear the member's last words. I have no plans for more announcements this week.

POLICING OF MORTGAGE BROKERS

Mr. Roy: Mr. Speaker, I have a question for the Minister of Consumer and Commercial Relations. I preface the question with the observation that the policing and enforcement within his ministry are seriously undermined, as has been brought out by what has happened now in Re-Mor, in Co-operative Health Services of Ontario and in Argosy.

I want to ask the minister whether he can explain how a situation in Ottawa, about which I have written to the ministry and have received correspondence from him as minister, can exist where an individual by the name of Mr. Parisiene can be disbarred as a lawyer in 1971, can be refused his licence renewal as a mortgage broker in 1972, can be advised by the ministry in 1973 to cease activity as a mortgage broker and yet continue to operate as a mortgage broker until 1978, advertise as such and in the process defraud the people of Ottawa of \$1.2 million?

What kind of enforcement and what kind of policing does the minister have in his ministry that would allow this individual to operate for five years and defraud the people of Ottawa?

Hon. Mr. Walker: Mr. Speaker, the mortgage brokerage system is such that it requires people to be registered with it. Mr. Parisiene must be going back some time, but I gather that he was basically delisted or deregistered. The member no doubt has the paragraph of the letter in front of him, but from 1973 on our ministry did not hear that he was in any way carrying on the duties of a mortgage broker. That information was not available.

I suppose that in some way he advertised, but those advertisements were not brought to the attention of the ministry. So far as I know, he simply operated beyond the law. He simply did not register and was not known to have been operating. Had he been known to have been operating in that interim period, then obviously the ministry would have taken the necessary steps to bring an injunction against him, as it has done with respect to an individual in one of the ridings not very far away who was operating as a used-car dealer without a proper licence.

When we find out that these people are operating, then of course we bring forward injunction proceedings in the Supreme Court to prevent that kind of thing from happening. But after that time in 1973, when he was given the cease-and-desist order and our information was that he was no longer acting, the file remained closed. We had no further information to tell us that this was happening.

3:30 p.m.

Mr. Roy: Can I ask the minister whether he plans to change the enforcement provisions? Accepting that the minister does not receive any complaints, can an individual who has been advised to cease and desist and to stop operating in 1973, operate not for two or three months but for five years, without his ministry having some backup or checkup? Consider that as far back as 1977 this individual apparently had some form of advertisement in the Yellow Pages of the phone book and mortgages were bought and sold at 354 Waverley Street, which was his business address.

In view of the situations we have heard about over the past year involving Re-Mor, Co-operative Health Services, Argosy and this situation, what does the minister plan to do, at least as far as mortgage brokers are concerned, to make sure the enforcement or policing

prohibits people from operating at will, against the law and against the policy of the ministry for a period of as long as five years?

Hon. Mr. Walker: I think the interesting thing is that the honourable member was a member all that time. I gather he was aware this individual was given a cease-and-desist order. Did the member know that was happening? Did he advise us what was happening? How can we do anything other than rely on information that is brought forward to us?

As far as the Yellow Pages advertisement goes, without having seen it, I would not think that falls within a mortgage broker classification. Even if one were to read that, one would not necessarily assume from that information that the person was a mortgage broker.

Mr. Peterson: Supplementary, Mr. Speaker: In the wake of the various little scandals he has had in his ministry, I want to know what the role of his ministry has been in the collapse of the Med-Lon and Arcturus small business syndicates in London. I want to know the results of the Ontario Securities Commission investigations in that matter.

What is the minister's position on the up to \$3 million worth of taxpayers' money that may have been lost in those two companies, in addition to the possibly up to \$10 million worth of local people's money lost in those two companies? What is the result of his investigation? What is he doing about it? How is he sitting on the matter?

Mr. Speaker: That was a new question. It was not supplementary to the question which—

Mr. Peterson: It was not a new question. It was regulatory in his capacity as chief regulator.

Mr. Speaker: Order. It was not supplementary to the main question.

Mr. Roy: On a point of privilege, Mr. Speaker: The minister implied that because this Parisiene was operating in Ottawa, a place where I was practising law, I should have been reporting somehow the fact that he was operating or somehow I should have been enforcing the Mortgage Brokers Act. Is that not a serious and flawed allegation on the part of the ministry, when I would not know whether he had a mortgage broker's licence?

Second, how would I know he was even operating, or selling or buying mortgages involved with people? Who is taking care of the ministry? Who is enforcing in the ministry? Is it supposed to be the legal profession? Is it supposed to be

individual members? Or does the ministry not have any enforcement unless there is a complaint?

I think it is serious on the part of the minister to suggest that somehow I was flawed, that I had the responsibility for enforcement of something that is under the Ministry of Consumer and Commercial Relations.

Hon. Mr. Walker: I do not know whether that is a question, Mr. Speaker. I do not know whether it is a point of privilege he is raising or what he is really saying in the whole process. I rather assumed that in his own riding he would know whether a person had been known as a mortgage broker.

Mr. Peterson: Mr. Speaker, on a point of privilege: I appeal to you, Mr. Speaker, on the question put to the minister today and on my colleague's question about the enforcement powers and capacities and the regulatory capacity of that minister. I have to say to you respectfully, Mr. Speaker, that my question is completely in order, because it relates very much to a matter within his jurisdiction in that general term. I ask you to—

Mr. Speaker: Order. It was a new question, in my opinion. It was not supplementary to the main question asked by Mr. Roy.

AID TO PENSIONERS

Mr. R. F. Johnston: Mr. Speaker, my question is to the Provincial Secretary for Social Development. As this is senior citizens' week, is the minister not a little embarrassed that the only announcement we have had from the government this week is today's announcement that a \$60 grant is going to be given to seniors who are at home next spring? It supposedly is going to take into account inflation and, in good Tory fashion, reduce from \$60 to \$40 the next year, and then to \$20 the following year.

At the same time as people are living on a guaranteed income, many senior citizens in Ontario today are living below the poverty line as established by Statistics Canada. Two thirds of women over 55 are living below the poverty line, and people who are paying the chronic care co-payment are having 80 per cent of their income taken if they are on the basic income. When is the minister going to institute a proper raise in the basic guaranteed annual income system (Gains) rate to get it above the poverty line and institute a regular quarterly increase to reflect the cost of living rises?

Hon. Mrs. Birch: That was several questions, Mr. Speaker. Senior citizens' week was officially launched yesterday, and senior citizens across this province were delighted to participate. They are very pleased with the programs this government has provided for them, even if the member does not appreciate that.

I get just a little tired and a little offended by this constant reference to the poverty line. When a single senior citizen in this province is entitled to almost \$7,000 along with all the fringe benefits, I do not hear too many complaints from senior citizens across this province.

Mr. R. F. Johnston: Supplementary, Mr. Speaker: Until the ministry takes action and does actually increase the basic income, of single seniors especially, it is going to be hearing a lot more complaints from us.

My supplementary is this: On July 1, the federal government will be increasing its allotments for old age security and guaranteed income supplement. Will the minister be passing that money through to senior citizens or is she going to be reverting to her past approach—that is to say, to deduct the Gains amount appropriately to save her some money so she can supposedly pay this \$60 grant next spring? Is she going to pass that through or not?

Hon. Mrs. Birch: Mr. Speaker, I would suggest the honourable member direct that question to the minister responsible, the Minister of Revenue (Mr. Ashe). But I would just like to say that in the past this government has always passed through whatever has been dealt out by the federal government.

Ms. Copps: Supplementary, Mr. Speaker: When is this government going to start recognizing the contribution of senior citizens not only during the one week of the year, but by including them as citizens to be considered under the Ontario Human Rights Code legislation?

Hon. Mrs. Birch: I would think the honourable member would know that question should go to the Minister of Labour.

NURSING APPLICATIONS

Mr. Wrye: Mr. Speaker, my question is to the Minister of Colleges and Universities. By now, the minister should be aware of the concerns expressed by many people and by many organizations about the grave inadequacies of the random selection process at Ontario's colleges. I want to give the minister just one more example of the results of her process.

Is she aware that just nine out of 43 graduating students in the nursing program at St. Lawrence College of Applied Arts and Technology in Kingston passed their comprehensive examination this spring? In view of this fact that just 20 per cent of those who even survived the two years to write the final exams were able to pass, will the minister undertake to review the policies that provide for random selection and propose an alternative system?

Hon. Miss Stephenson: Mr. Speaker, I am aware the leader of the second party veered away from his left-wing fling in Kingston long enough to suggest there should be some other mechanism. In fact, he suggested that St. Lawrence College used no assessment program at all before random selection was used, and that is wrong—entirely unfactual.

Mr. Smith: I never said that.

3:40 p.m.

Hon. Miss Stephenson: Yes, the member was reported in the newspaper as having said that.

Mr. Smith: There is no room for rationalizations and you know it.

Hon. Miss Stephenson: He was misquoted? Fine.

In response to the honourable member's question, the test which was carried out at St. Lawrence College was a pre-provincial examination test, a test to provide these students with some experience in writing an examination in a format quite unlike what they have been pursuing for the past two years within their college program.

The college has set the test. In addition it moved the passing mark from 60 to 70, which is an unusual activity. It has decided to repeat that pre-provincial examination experience testing for the students in order to give them another opportunity. They do not believe the results accurately reflect the learning experience and the capability of the students.

Mr. Wrye: The minister is aware the only reason it was moved from 60 to 70 is the concern the college had that the standards of the college had been dropping so badly.

Hon. Miss Stephenson: No.

Mr. Wrye: That is true, that is exactly what they say.

The minister's refusal to accept the reality that the program encourages mediocrity rather than excellence would not be so disheartening, I suppose, if the taxpayers were not the ultimate victims of this policy. The minister is aware that

each chair filled by a student who cannot hack the course is costing some \$7,000 a year. Perhaps she is aware of the comments of Ray Walker, an executive at a hospital in Hamilton. I would like to quote him: "We would not have a shortage of nurses in the province if we selected people who had aptitude and interest through a careful screening program."

When is the minister going to announce a selection process that is a little more sophisticated than the educational roulette wheel that is offered to students today?

Hon. Miss Stephenson: Mr. Speaker, that kind of rhetoric is the variety of hyperbole that I would anticipate from some of the honourable member's colleagues.

Mr. Smith: There is no place for a lottery system in nursing and you know that.

Hon. Miss Stephenson: Mr. Speaker, the Professional Association of Nursing Educators is responsible for the establishment of a number of the assessment programs which are being used by the various nursing colleges throughout the province. They are under review constantly, they are in place and they are used when a number of fully-qualified students, on the basis of nursing educators' assessment, remains in excess of the number of places available. Only then is that random selection process used. I do wish the Leader of the Opposition would understand that.

Mr. Smith: It shouldn't be. It is not used in law; it is not used in medicine.

Hon. Miss Stephenson: It should have been used for you.

Mr. Wildman: Mr. Speaker, is the minister still convinced there are enough places and we just have a distribution problem in terms of nurses in this province even though we still have one set of beds empty at the Algoma Manor in my riding? They are not open simply because there are not enough nurses.

Hon. Miss Stephenson: Mr. Speaker, as the Minister of Health reported to this House, we have been informed by the Registered Nurses Association of Ontario there are at present 30,000 registered nurses in this province who probably could be working if there were opportunities available perhaps closer to their locations.

I am not aware of the situation at Algoma Manor, but if it is an institution of the variety I think it is, it probably depends as well on the instruction of registered nursing assistants. There seems to be a very adequate number of RNAs as

well as RNs in the province. I do not know how one would persuade some of those 30,000 who wish to be employed to go back to work but I think some of them probably could be encouraged to do so.

RADIOACTIVE WASTE DISPOSAL

Mr. O'Neil: Mr. Speaker, I have a point of personal privilege dealing with the Minister of the Environment and the Premier. On several occasions in this Legislature both myself and the member for Hastings-Peterborough have raised the subject of radioactive waste in the Bancroft area. On several of these occasions we have been told the provincial government does not have anything to do with it. I understand, from reports made in the Belleville Intelligencer and the Peterborough Examiner, a commitment was given by the Premier that an intervention would be made on behalf of the province to try and stop this material from being dumped in the Bancroft area. I wonder if we might have a comment or a statement by either the Premier or the Minister of the Environment so this matter can be cleared up before the Legislature is adjourned.

Mr. Speaker: That is not a matter of privilege; it is a new question. Point of privilege, Ms. Copps.

PORK PUBLICATION

Ms. Copps: Mr. Speaker, I do not know whether all the members have had a chance to see this complimentary copy of PlayBoar, but I suggest the members on the government side who were so proud in lauding this edition would not appreciate it if I went back to my constituents and read the PlayBoar interview with Leonid Fullov Bullshitsky. Neither do I think they would appreciate it if we trumpeted in the riding the picture—

Mr. Speaker: Order. That is not a point of personal privilege.

Ms. Copps: Mr. Speaker, on this same point of privilege—

Mr. Speaker: Order. I have not seen it.

Mr. Foulds: Mr. Speaker, you have jurisdiction over what is distributed in this chamber. I would like to know whether you were consulted and gave permission for this publication to be distributed in the chamber. If not, I suggest you

tell honourable members that if they wish to have publications distributed, they do so at their own leisure through the mailboxes or otherwise.

Mr. Speaker: No, I did not give permission for distribution, nor have I seen it.

Ms. Copps: On that same point of personal privilege, Mr. Speaker—

Mr. Speaker: There is no personal privilege.

Ms. Copps: I am a member of this Legislature. I have received a magazine and my privileges have been abused. I do not want to receive a copy of PlayBoar magazine under the guise of a spokesman for the pork producers of this province—

Mr. Speaker: Order. Reports.

REPORTS

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Mr. Treleaven from the standing committee on administration of justice presented the following report and moved its adoption:

Your committee begs to report the following bill with certain amendments:

Bill 89, An Act to provide for the Consolidation of Hearings under certain Acts of the Legislature.

Report adopted.

Mr. Speaker: Shall the bill be ordered for third reading?

Ordered for committee of the whole House.

MOTIONS

HOUSE SITTING

Hon. Mr. Wells moved that the House be authorized to sit the afternoon of Wednesday, June 24, 1981 at 2 p.m.

Motion agreed to.

PRIVATE MEMBERS' PUBLIC BUSINESS

Hon. Mr. Wells moved that notwithstanding the provisions of Standing Order 64(a) private members' business will not be considered on Thursday, June 25.

Motion agreed to.

STANDING COMMITTEE ON ADMINISTRATION OF JUSTICE

Hon. Mr. Wells moved that the standing committee on the administration of justice be

authorized to sit the afternoon of Wednesday, June 24, 1981 for consideration of Bill 59, An Act to amend the Fire Marshals Act.

Motion agreed to.

3:50 p.m.

INTRODUCTION OF BILL INSURANCE AMENDMENT ACT

Mr. Foulds moved, seconded by Mr. McClellan, first reading of Bill 128, An Act to amend the Insurance Act.

Motion agreed to.

Mr. Foulds: Mr. Speaker, the purpose of the bill is to make insurers responsible for the debts incurred by persons who are appointed by the insurers as insurance agents. It arises out of the case of one of my constituents, Mr. Joseph Novak, who has allegedly been defrauded by Mr. Jean-Charles Belair, who claimed to be an agent of the Combined Insurance Company of America.

ESTIMATES

Hon. Mr. Wells: Mr. Speaker, before the orders of the day I would like to make a statement that is further to my statement of May 14, when I announced the location, sequence and time allocations for nine sets of estimates. I now wish to indicate to the House how the balance of the estimates will be taken when the House returns in the fall.

In committee of supply we will follow with the Ministry of Revenue, 10 hours; Ministry of Treasury and Economics, 13 hours; Ministry of Intergovernmental Affairs, 10 hours; Lieutenant Governor, Premier and cabinet office, five hours.

In standing committee on administration of justice: Ministry of Consumer and Commercial Relations, 25 hours; Ministry of the Attorney General, 17 hours; Ministry of Correctional Services, five hours.

In standing committee on general government: Office of the Legislative Assembly, three hours; Office of the Ombudsman, five hours; Office of the Provincial Auditor, two hours.

In the standing committee on resources development: the Ministry of Agriculture and Food, 18 hours; Ministry of Labour, 20 hours; Ministry of the Environment, 15 hours; Ministry of Housing, 10 hours; Ministry of Natural Resources, 18 hours; Ministry of Industry and Tourism, 12 hours; Ministry of Transportation and Communications, 12 hours; Provincial Secretariat for Resources Development, seven hours.

In the standing committee on social development: the Ministry of Colleges and Universities, eight hours; Ministry of Community and Social Services, 23 hours; Ministry of Health, 20 hours.

ANSWERS TO QUESTIONS ON NOTICE PAPER

Mr. Speaker, before the orders of the day I would also like to table the answers to the following questions standing on the Notice Paper: 103 to 111, 121, 125 to 127, 137 and the interim answers to questions 130 to 135. [See Hansard for Friday, June 26.]

ORDERS OF THE DAY

ONTARIO WASTE MANAGEMENT CORPORATION ACT

Hon. Mr. Norton moved second reading of Bill 90, An Act to establish the Ontario Waste Management Corporation.

Mr. Speaker: Shall the motion carry?

Mr. Nixon: No, we have a speaker.

Mr. Speaker: All right.

Mr. Kerrio: Is the minister going to make a statement?

Hon. Mr. Norton: Mr. Speaker, I will make a brief opening statement. At the time of the introduction of the bill for first reading I made a statement in the House. I will try not to repeat all of the contents of the remarks made at that time, but I would point out for the consideration of the honourable members once again two or three particularly important principles embodied in this bill.

As the honourable members are aware, the bill would establish a crown corporation, or a corporation that would be an agent of the crown, in right of the province of Ontario, with the express purpose of developing, establishing and operating facilities for the safe treatment of liquid industrial waste. The bill as it is presented to the House makes no substantial change other than the establishment of the corporation that presently exists under the Corporations Act of the province.

It is worth mentioning a couple of things that have been raised by residents in South Cayuga, for example, with regard to the process of the hearing tribunal. That relates primarily to the express desire to see the tribunal have the rights and the power to subpoena witnesses, is afforded the opportunity to take evidence under oath and is allowed cross-examination of witnesses.

This bill would clearly give authority to the Lieutenant Governor in Council to provide such a hearing tribunal with that authority under statute at the time of its appointment.

I am sure there will be a number of issues raised by the honourable members opposite during discussion of the bill and I will reserve further comment until I have heard them.

Mr. Kerrio: Mr. Speaker, we are not going to support this bill. I must say that at the outset because I think this is a regressive step as it relates to the responsibility of a government to respond to the threat to our environment. I consider this a step backward from a direction pointed out in many jurisdictions and accepted in this jurisdiction.

To deal with this problem that is so uncontrolled, we should have a great deal of input from those citizens, from those experts in the field, from those people in our society who have seen a constant erosion of our environment.

It is particularly obvious to those of us who come from the Niagara peninsula. It has been pointed out worldwide what can happen when there is poor government control of an environmental situation.

I am disturbed that we are now talking about setting up a corporation and, under the guise of that corporation, about supposed new management of the handling of waste in Ontario. The thing uppermost in the minds of everyone concerned—in the Niagara frontier, in Cayuga, the investment at Walker Brothers and in other areas where we were going to have full environmental hearings—is the withdrawal by the government of that avenue of making the determination to take those wastes to another site. They are going to circumvent what appears to be the only avenue the public has to object to some of the things governments do on their behalf.

It is incredible and unconscionable that in this day and age people have to band together to protect themselves from an encroachment on what could be considered a safe environment. Look at the people who have come down by bus from Stouffville. They cannot agree there has been real integrity shown in relation to the water supply of that village and city.

On this very day I received a call from a concerned citizen who said that during the course of those hearings they are not able to present some new evidence brought before them by Global TV which investigated the site. Global did it in a proper fashion, taking

samples, having them properly analysed and finding there is something to worry about in relation to toxics on that site.

The minister can appreciate that we on this side of the House, particularly those of us in the Liberal caucus, take exception to the fact we are going to put a bill in place that would allow liquid chemicals to be taken to a proposed facility at South Cayuga and eliminate the hearings people are normally able to attend to give reasons why those things should not happen. They are going to put those wastes beside the banks of the Grand River which empties into Lake Erie and subsequently into the Great Lakes basin where some 55 million people live.

Americans are now telling us there may be a grave concern and we may have to back off from what we considered were reasonable levels of toxics in that whole system. There may be directives from the United States government that we should not eat the fish that come from any part of that system.

Now we are going to take a step backwards when we should be moving in the other direction. We should be responding more to the needs of individuals who are concerned about the poisoning of our environment, particularly as it relates to our waterways.

4 p.m.

The minister has seen fit to take a very high profile in objecting to what the Americans are doing with sulphur dioxide emissions that lead to acid rain, the consequence of which we see in our province. I admire the minister for that stand. He is justified in doing that.

The problem is that we are dealing with many contradictions. We are talking in the same breath of Ontario Hydro delivering to the United States, with a new cable under Lake Ontario, the complete output of one of our thermal plants that is going to burn some of that high sulphur coal. It is very difficult to have a minister of this government go to Washington and make a presentation that would have those people in Ohio and Michigan back off on their emissions while we are going to do the very same thing in Ontario.

The former minister refused entirely—I have not gone through Hansard to bring those words of wisdom to this assembly—but he suggested I was being less than responsible when I said the then Minister of the Environment should travel just across the Niagara River—not to Washington, D. C. as this minister is to do on our behalf—but only across the bridge, to make his feelings known at Lewiston, New York, where

people were having hearings. The Deputy Premier made a submission and was an interested party in those hearings. He was most welcome. He did not appear as a member of the governing party of Ontario. He appeared as a citizen—with the board's full knowledge that he was somewhat more highly elevated than an ordinary citizen.

The minister does not and will not attend those hearings. The former minister suggested I was not being reasonable when I said, "Yes, Mr. Minister, I do expect you to go to the United States, to New York, our nearest state, and make your feelings known to our neighbours that they should not pollute our water-ways." I think I took a reasonable stance. I bring up these facts to suggest to the minister that we can do nothing less than New York State did in relation to hearings, when it invited its Canadian neighbours to come over and participate as interested parties.

Perhaps the most significant point that can be made about government is that citizens should be allowed to participate, particularly when we are talking about an issue that affects the health and welfare of all of us. It is unconscionable that we would circumvent what was in place and allowed to every concerned citizen. I think we should not support a bill that will allow the government to set up this management board. It can do that not only on this specific site but on subsequent sites it might decide to explore. It will be able to go with the same kind of attitude, that citizens might have some input but not to the degree that exists today under the present regulations.

We cannot support this bill. I ask the minister if he would at least take the bill to the general government committee. I ask this in the same way I ask the minister about the bill itself. I ask him to have it in committee so that we can invite interested citizens to come and make their feelings known. If the minister could convince those who are so concerned about this new thrust, this new way of handling this grave environmental future, that this is the route to go, I would be very surprised. So on this reading we are not supporting the bill.

I ask the minister to put the bill to the general government committee so that those who will be affected may be heard from. When I say those people who will be affected, I suppose that includes every man, woman and child in the province, even in the neighbouring jurisdictions. It has very far-reaching implications.

The fact that we have managed to poison our

environment to the degree we have in one generation suggests we should not be dealing with the future of this province in a regressive way. We should be looking at the reasons why this has happened. We should be putting in legislation and regulations that will ensure we reverse this impact on our whole society. We should turn it in a new direction that will make government more responsible, make those people who develop these chemicals more responsible and make the people we represent feel that we are looking out for their best interests.

Mr. Charlton: Mr. Speaker, we are also going to oppose this bill on second reading, I suppose for some of the same reasons the member for Niagara Falls (Mr. Kerrio) has just stated but for some additional reasons as well. I will be laying out some of them, as will my colleague the member for Beaches-Woodbine (Ms. Bryden).

This bill leaves me very disappointed in the process we thought was evolving during the 1970s. It makes it clear that those environmental processes that evolved in this House during the 1970s are no better than those who administered them. It points very clearly to the fact that those who administered the environmental legislation of this province are only prepared to do it in a full, complete, straightforward fashion when it suits them.

Although the present Minister of the Environment (Mr. Norton) was not here last fall when the South Cayuga site was first announced, the then minister claimed he was exempting the South Cayuga site from a full environmental assessment because of the time, the urgency of establishing a waste disposal site of this type in this province and the very critical situation of dealing with the wastes involved. He made it abundantly clear that was the basic and foremost reason for the exemption.

We opposed the exemption but did not at that point perceive the direction that was going to be taken in this bill. It now takes that exemption process one very large and very dangerous step further. It was all right for the minister to say in the case of South Cayuga that because of the time involved and the urgency of dealing with toxic liquid waste in this province he felt he had to ask the cabinet to exempt the project. It was just as useful for us to oppose that, to attempt to force the minister to come clean in that process and to ask him to tell us the real reasons. But he never changed his position; the basic position was time.

4:10 p.m.

Yet this bill sets out that the Lieutenant Governor in Council will set the policies of this new waste management corporation. The Lieutenant Governor in Council will lay out the priorities, the activities, the responsibilities and the enterprises of this corporation.

On every occasion, as this bill sets out, through the cabinet of this government, the Lieutenant Governor gives approval to a new facility, a new project, a new initiative, a new site, a new direction for this waste management corporation; and because the Lieutenant Governor in Council has approved that as an activity or an undertaking of that corporation, then that corporation and that project or initiative automatically, because it is an activity of that corporation, will be exempt from three major pieces of legislation: the Environmental Assessment Act, the Environmental Protection Act, section 33(a), and the Ontario Water Resources Act, section 43.

The minister says to us that this is really no different from what was expressed to us in the first instance. I want to say to the minister that this is far different from the initial exemption that was expressed to this Legislature.

This is saying one of two things. One possibility is that this corporation is going to be so inefficient in its operation that no project it ever takes on will be planned and prepared far enough in advance that it can sit down and properly look at it in a very qualitative way, through the environmental assessment process, under the Environmental Protection Act, or even relating to the Ontario Water Resources Act, and that all the projects of this corporation will be so last-minute in nature, so urgent and emergency-oriented, that they will have to be automatically exempted.

Alternatively, the minister is saying to us that this crown corporation can do no wrong, and that it does not need to have the full review that is implied by the laws that we very carefully set out in this province to establish ongoing protection for the environment in this province. We have seen far too many blunders over the years on the part of this government to ever contemplate believing that possibly could be true.

We went through a process some two years ago, around a Hydro heavy water plant, where this government argued right to the bitter end that the addition, I guess it was of plant D—at any rate, it does not matter which plant it was—had to be built. This government maintained right to the bitter end that the plant had to be built and that it was going ahead on the

advice of Ontario Hydro, until Ontario Hydro turned around on them and said they did not need to build it and it has since been mothballed.

Nobody over there is going to convince us that the processes that go on in that cabinet are infallible. One of the reasons we have the acts I am referring to here, the Environmental Assessment Act, the Environmental Protection Act, and the Ontario Water Resources Act, is that a lot of decisions that have been made by the province, by the municipalities in this province, by private corporations in this province, by individuals on that side of the House, and even probably by some on this side of the House who have concurred in matters that have happened here in the past, have shown that the processes here are not infallible.

This legislation was put in place to see that all projects that may present a possible danger will be very thoroughly and very carefully scrutinized so that at least—and let us face it, human beings will always be somewhat fallible—in future, as it relates to the environment and to our water resources, we do not make any stupid, unnecessary and serious blunders. That is what this bill is setting us up for.

In effect, we are stepping back from the legislation that this House, including the government members on that side of the House, felt was necessary to safeguard the environment of this province. I do not want to hear the minister tell me that things have changed, that the government is any less fallible than it was when it felt it was necessary to implement the legislation. This government is not any less fallible than it ever was and is not any less fallible than any other group of human beings anywhere. That is not to say that any Environmental Assessment Board is infallible either. It is simply to say that the full and open process that is implied under the Environmental Assessment Act is a far better safeguard than the kind of processes that are being set up in this situation around South Cayuga and in this bill for the future.

There are a couple of examples of the kind of thing I am talking about in the compendium of information the minister put out with the bill. I want to read a couple of them to try to give a sense, and not only in terms of the three pieces of provincial legislation I have just talked about.

One says: "The Lieutenant Governor in Council may establish policies for the corporation. Initially, this will require the corporation to abide by municipal bylaws . . ." The first part

of that sounds fine. It would be nice if crown corporations in this province could find it in their hearts to abide by municipal bylaws where municipal elected officials have very carefully sat down and planned what should happen in their municipality and how and when and where it should happen.

Unfortunately, the statement does not end there. It goes on to say: "...to abide by municipal bylaws which do not frustrate the corporation's objects." What that says to me is that this crown corporation is going to abide by the law as long as the law does not get in its way. The minute the law gets in its way, it is going to ask somebody for an exemption or it is going to find a way—I guess this act is going to give it the way—to avoid the law or to quash the law.

Not only is this corporation going to be in the position to get around the three provincial acts I have talked about, but it is given the ability to ignore totally what some municipalities may have spent decades putting together—not only ignore it, but perhaps even destroy it.

Another serious matter that bothers me in the whole process around this bill relates to the specifics of the South Cayuga situation and some comments that have been made in this House by the Minister of the Environment. I go back again to what I said earlier, that the members of this Legislature were assured last fall, when the former Minister of the Environment announced the South Cayuga site and announced the exemption from the three acts I have talked about, that the basic and foremost reason for that exemption was time; it was an urgent situation, we had to get on with the job and we had to face the problem that nobody wanted this kind of thing in his backyard.

4:20 p.m.

One of the things underlying that was the urgency of establishing a first-rate facility to deal with industrial wastes in Ontario. Just the other day, during question period, my colleague the member for Niagara Falls and I were questioning the minister about the South Cayuga situation.

Things have been set back. There was some argument about how far they have been set back, but they most certainly have been set back past the former minister's deadline by a substantial amount. The thrust of the questions to the minister was, why was he not now prepared to allow a full environmental assessment and to allow other sites to be looked at as alternatives? The minister's response was there was not the expertise in Ontario to look at more than one or two sites at a time.

The problem is, where does all the urgency around the establishment of the waste disposal site go? If the minister is telling us the truth—and I believe he probably thinks he is telling us the truth—that the hearing board appointed by the board of directors of the corporation doing the quasi-judicial hearings on the South Cayuga site is really going to look thoroughly at this matter and make its own decision about whether to proceed at that site, and if the minister is really telling us the truth that the decision has not already been made—and I am prepared to accept that at this point—then where does the urgency around the establishment of that site go?

Where does all this rhetoric about time and the urgency of establishing that facility go? What if that board turns it down and decides some time late this year, or perhaps even well into next year, that the South Cayuga site is unacceptable, that without question it cannot go into the South Cayuga site and we have to start the process all over again?

If the situation is so urgent, and if the minister has told us the truth that the hearings at present going on in South Cayuga are up front and they will make their own decision, I ask the minister to think carefully about the logic of the process that is being set out here.

Perhaps the minister is even right that there is not enough expertise in the field to take a thorough look at five sites all at once. The minister may be right, but certainly we could find the expertise in this province to look at more than one site, to look at two or three.

If this project is as urgently needed as was stated last fall and as has been stated repeatedly since, that seems to me to be the only logical approach under the circumstances. Even if the minister cannot look at all the sites he might potentially want to look at concurrently, as opposed to one after the other, he could at least look at as many sites as have been suggested where some background study has been done.

As the minister has pointed out to this House, there has been some initial work done on a number of sites. He could at least make an effort to do concurrent assessments of as many of those sites as possible. Perhaps if it is only possible to do concurrent reviews of two sites, then they could set up two to be concurrently done, which could be very quickly followed by an additional two to be done concurrently if the first two should fail the test.

The urgent and dire need for this project has been poked at us by the government for seven or

eight months now. They have said to us, "We have to have a waste disposal site to deal with the industrial waste of the province." They have said that we have bugged them about adequately dealing with industrial waste in Ontario.

That is very true, but from my discussions with a number of people who are quite expert in the field, some from the ministry and a number from the South Cayuga area, it seems to me there is a damned good possibility that come next spring the site is not going to be approved and the project will never go ahead in that location unless, as I suggested earlier, the decision has already been made and the hearing board is not going to look at the real facts presented to it of the geography, the geology and the water problems in the area. I suggest that there is a damned good chance that the site will not be acceptable and come this time next spring we will be starting the whole process over again. That does not seem very logical to me.

That is the second basic reason why it is difficult to believe what the minister is telling us about the need for the process that is being set out in this bill: the reiteration of the process they set up by order in council. It is also difficult for us to understand, even if many of the things I am suggesting are impossible in the South Cayuga case, why they have to establish that this will be the process for this corporation in any future venture it becomes involved in.

For those reasons, we find ourselves in a position where we cannot support this piece of legislation. We are prepared to support the establishment of the Ontario Waste Management Corporation, but we are not prepared to exempt it forever from all of those pieces of legislation which this Legislature, including the members of the government opposite, very carefully worked out as being necessary in the province, not only for the private sector but also for the crown, and which are necessary to help avoid some of the problems the crown and this government have created in the past.

We cannot support the kind of legislation that takes the view that a very carefully set-out process can now be set aside where the government of Ontario and its waste management corporation are concerned.

Ms. Bryden: Mr. Speaker, I am very pleased to hear that the Liberals are joining with us in opposing this piece of legislation. I just wonder if they have reconciled their differences within the party since the member for Huron-Middlesex (Mr. Riddell) came back from his trip to look at waste disposal sites in Britain and

Germany and said he thought the South Cayuga site could be acceptable without an environmental assessment. In fact, he said he thought the technology was at such a stage he would say the project could even be acceptable in Huron-Middlesex.

Mr. Kerrio: On a point of personal privilege, Mr. Speaker: I want to make certain the member is accurately describing what our member said. In fact, what I thought our member said was from what he saw on the trip he was willing to accept what he saw over there in his backyard, and not what was being proposed at South Cayuga.

4:30 p.m.

The Acting Speaker (Mr. Cousens): Carry on, Ms. Bryden.

Mr. Foulds: On the point of order, Mr. Speaker—

Mr. Kerrio: That is not a point of order.

Mr. Foulds: Well, a point of privilege. I would just like to clarify—

The Acting Speaker: Mr. Foulds, do you have the floor on a point of order?

Mr. Foulds: On the point of the previous interjection.

The Acting Speaker: Is this a point of order, then?

Mr. Foulds: Mr. Speaker, the previous interjector erupted with a statement that indicated he thought the member for Huron-Middlesex said that. Unless he is sure, I am sure he will agree with me that he should not rise on either a point of order or a point of privilege.

Mr. Philip: That is right. That is a point of order.

The Acting Speaker: Thank you. Ms. Bryden has the floor.

Ms. Bryden: Mr. Speaker, this bill sets up a crown corporation as an answer to the waste disposal problem in this province. It is the government's very belated response to the report of the all-party standing committee on resources development in the fall of 1978, which said, "The formulation of a comprehensive plan of action for safe handling and disposal of toxic wastes must have a high priority." The committee recommended the establishment of a crown corporation to deal with the problem as an option that should be explored. That was almost three years ago.

However, the Minister of the Environment insisted on waiting for the private sector to

come forward with adequate plans for toxic waste disposal facilities. What he got was a few scattered proposals that covered only part of the province and part of the problem. Moreover, some of the private proposals were subsequently rejected by environmental assessment hearings, because the companies were not willing to meet the stringent standards needed to reassure nearby residents that the operations would be environmentally safe. So two years were lost in this futile pursuit of an adequate solution through the private sector.

In the meantime, the problem grew in seriousness. As new chemicals were added to the productive processes, new hazards were discovered in existing processes. The lack of disposal facilities here forced waste producers to resort to midnight dumpers or to ship their toxic wastes across the border. Long-distance hauling not only added to the cost but also exposed residents of this province to additional hazards from transportation accidents.

Finally, in the fall of 1980, just before an election was in sight, the then Minister of the environment saw that he had produced no solution to the most urgent environmental problem in this province and that this commitment to the environment was being seriously questioned.

At the same time, the government found that the province was embarrassed by the fact that it held a large tract of land in South Cayuga, purchased by a previous Treasurer, John White. The land had been intended for a new town, which turned out to be a castle in the air. Its acquisition typified the lack of realistic planning by the Conservative government and its lack of concern for the taxpayers' dollars.

These two embarrassing situations for the government were married in the announcement on November 25, 1980, of the establishment of a crown corporation to develop comprehensive facilities for the disposal of hazardous wastes and to locate these facilities on the surplus land. The announcement also contained the news that no hearings on the project would be held under the Environmental Assessment Act or the Expropriations Act. The reason given, as my colleague has mentioned, was that time was of the essence because of the seriousness of the problem.

However, the real reason was the minister's foot-dragging for the two years prior to that. If he had acted promptly in 1978 on the recommendation of the resources development com-

mittee, the environmental assessment could have taken place and the project would have been under way by 1980.

While the initial announcement on November 25, 1980, said nothing about any public hearings as an alternative to assessment under the Environmental Assessment Act, the minister finally started to talk about public information meetings when he was pressed by myself and my colleagues for some possibility for the public to be heard. We told him public information meetings were not an adequate substitute for public hearings where people could speak, bring expert witnesses and cross-examine the proponent's witnesses. The minister finally agreed to appoint a panel of hearing officers to hold public hearings on the safety of the South Cayuga site and its proposed facilities and to determine whether the facilities were technologically sound.

We suggested that in order to make those hearings fair there should be public funding for the citizens' groups who wished to appear and face a proponent, which was a crown corporation funded by the government. The previous Minister of the Environment maintained the same policy he had maintained throughout his term of office—a policy of no public funding for citizens' groups. The new minister must have been struck on the road to Damascus last week when he suddenly decided there would be public funding for citizens' groups. We can probably attribute this change partly to the firmstand taken by the new chairman of the crown corporation, Dr. Chant, who publicly said he thought there should be public funding for such hearings.

I would like to know if the minister will apply this policy in any form to future public hearings under the Environmental Assessment Act or under his ministry. If he does not, we are back to the David and Goliath situation where citizens have a very weak voice and the proponents, who are usually large companies, have a strong voice and can deduct their costs from their taxable income.

In his statement presented to the resources development committee on January 20, 1981, the previous Minister of the Environment said that if the panel recommendation on the site was against it, the crown corporation would be instructed to look for a new site, but it cannot do so until there is an outright rejection by the panel officers. Even if there is mounting evidence during the hearings that the South Cayuga site may be unsuitable, the crown

corporation cannot proceed to look at any alternatives until such time as it is instructed by the minister to do so.

It appears there is a possibility of delay on delay. We know the hearings have not even got under way as far as hearings go. There are some public information meetings. However if we have to go through the process on every site of public information meetings, hearings, reports and decisions by the cabinet whether to accept reports, it may be 10 years before we actually find a suitable site in this province and are able to start solving this problem.

It appears to me this crown corporation is little more than a Charlie McCarthy for the government. Its powers under the bill are greatly restricted. In the first place, its policies are to be formulated by the cabinet. I do not object to that as a general principle for crown corporations. Their policies should be formulated by the cabinet. But its activities are also greatly restricted. It cannot build anything without the approval of the Lieutenant Governor in Council. It cannot select a particular technology without the approval of the Lieutenant Governor in Council.

4:40 p.m.

If the present site is rejected, it cannot, as I mentioned, look for a new site without the approval of the Lieutenant Governor in Council. Permission to look for a new site can be hemmed in by further conditions and limitations imposed by the Lieutenant Governor in Council.

This seems to me to be interference in its day-to-day operations in solving the problem of how to dispose of liquid waste in this province. That is its responsibility. If it has to come to the Lieutenant Governor in Council for every decision it will be greatly hampered.

The other thing this bill shows by setting up this procedure is the government has decided the Environmental Assessment Act is a dead letter. As my colleague has said, it would appear all future activities of this crown corporation in the toxic waste field also will not be subject to environmental assessment.

Certainly, the clause saying it can only do things with the approval of the Lieutenant Governor in Council says nothing about the Lieutenant Governor in Council submitting to environmental assessment. I always thought the Environmental Assessment Act was largely a window-dressing operation and this seems to prove it, since one of the most serious areas of environmental danger is completely out from under the act.

The makeup of the crown corporation is another matter of concern. The initial statement of the minister in the fall of 1980 was that it would be made up of two representatives from the general public, two from the local community, two technical experts and a chairman.

However, appointments have been announced recently which include representatives of industry which was not mentioned in the initial statement. The new bill allows for an unlimited number of appointments with a minimum of seven. It would appear this crown corporation could become a handy senate for the government since any number of appointees can be sent to it. There do not appear to be any guidelines as to who the appointees will be.

Some of the appointees at present are, I understand, the nominees of organizations like the Conservation Council of Ontario. The bill does not recognize this situation so there is no guarantee future appointments will be made on nomination from organizations of that nature.

I think this should be spelled out in the bill to ensure there is adequate representation from environmental organizations. Nor is it clear from the bill what the relationship is between the appointees of organizations such as the conservation council and the crown corporation. Do they have to report back to the council? If they decide to resign, will the council be allowed to replace them?

There are many other unanswered questions about the crown corporation. I hope the minister will attempt to fill us in with more detail. It is a fairly important body that is being set up. For instance, will it have a monopoly in the field of liquid industrial waste? What will be its operating target—to break even, to make a profit or to operate at a deficit?

Will the user charges eventually recover the initial investment of \$60 million announced at the time the corporation was set up? Will the operation of transport services be part of the operation? Will the crown corporation develop its own specialized carriers for toxic wastes or will it license carriers and perhaps have special rules beyond those under the present Highway Traffic Act for transportation of hazardous substances? These are certainly things that must be looked at because there is considerable danger from the transportation of hazardous substances.

As far as the question of accountability goes it is not clear how this crown corporation will be responsible to the Legislature. Section 16 does provide that the minister may appoint one or

more persons to review any activity or proposed activity of the corporation, and to report to the Lieutenant Governor in Council. Members will note that it says "may" not "must"; it says "report to the Lieutenant Governor in Council," not to the Legislature. And it says nothing about how the review persons are to be selected. If they are just friends of the government, can we expect a critical report of its activities? There is no provision for a review by an all-party committee, which I think there should be.

Other unanswered questions are: Who will be responsible for the environmental consequences of accidents or spills that may occur at this plant? Will the ministry be responsible or the agency? Who will one sue?

Mr. Speaker, you can see why we are opposing this bill. There are so many unanswered questions about it we feel it is not really an answer to the problem of disposing of liquid industrial wastes, but simply a smokescreen to indicate that some action is being taken. It is a desperate and flawed attempt by the government to pretend it is meeting the problem.

The hearing process has turned out to be less satisfactory than a proper environmental assessment would be. Because there is still considerable delay it does not have any precedents to go on such as the Environmental Assessment Board has built up in regard to procedure and recognition of standing, and things like that. It is going to have to make all these decisions by itself as it gets going. It will not have experienced staff unless it borrows them from the Environmental Assessment Board. It will have no precedents to go on. So I suspect it will take longer than environmental assessment would have taken.

There does not appear to be anything in the bill requiring a report to the Legislature. It is true it says the minister may request reports of any kind from the crown corporation, but there should be provision for an annual report. At least it would give this Legislature an opportunity to refer that annual report to a committee for review and discussion. Also it would allow the Legislature to get involved in the process of making policy for the corporation. But without those provisions it is not an adequate act, and it is not a crown corporation that we can support.

Mr. G. I. Miller: Mr. Speaker, it is a pleasure to rise and speak on Bill 90, An Act to establish the Ontario Waste Management Corporation. As proposed, it is going to affect directly a part of Ontario that I represent, the riding of Haldimand-Norfolk. I would like to express my

concerns which are similar to those expressed by the member for Niagara Falls (Mr. Kerrio) in indicating we cannot support the bill. Obviously the government is in a majority position and it perhaps will force the waste management corporation through. I hope it will accept some amendments to that legislation because of our concerns that the wishes we express here in the House might be carried out.

4:50 p.m.

This all began back on November 25, 1980, when the announcement was made. The decision at that time was final, according to the then Minister of the Environment (Mr. Parrott). It was going to be located in South Cayuga in my riding of Haldimand-Norfolk.

Since then a lot of people have come forward, particularly the Haldimand-Norfolk Organization for a Pure Environment, to give us a lot of input into how we should be dealing with the industrial waste of Ontario.

We are making a historic move as we make this decision to deal with our industrial waste. It is certainly something we have to deal with, and it is something that, during the last election, was a key issue.

It is important that we deal with it properly so that future generations will be protected. The questions we have put forth from this side of the House are: Should we be locating all our waste in one site? Does it make sense to transport it all to one area and deal with it there? Should industry have input and be encouraged to deal with its own waste? These questions have been asked many times, and I hope that the Minister of the Environment will take them into consideration.

First of all the former minister was reluctant to come down to visit the site so he would be aware of where it was going to be located, along the valley of the Grand River on the shore of Lake Erie, a very narrow peninsula.

I wrote him a letter dated May 8. He did not respond to that letter, but he did accept the invitation to go down and meet with the people of Haldimand-Norfolk, the people in the towns of Haldimand and Dunnville and the people from the HOPE organization along with those who expected to be expropriated. I am glad he had that opportunity so he could see firsthand exactly what he was dealing with.

I have tried to point out over the many months that it is class one, two, three and four agricultural land. We also provided the minister with that information from the University of Guelph. Their own reports that have been

brought forward, the MacLaren studies, both in 1979 and 1980, indicated that this type of land was not to be used for industrial waste sites, and that we should be protecting it for agricultural purposes.

After he has a firsthand look at this site this fact should become clear to him. I do not know if he has an agricultural background or not, but it certainly is good productive land that could be upgraded further by proper drainage procedures.

I have pointed out to him that we do have a lot of development in the region of Haldimand-Norfolk at the present time which is not being utilized. Stelco has become established there. They have an industrial park of 3,500 acres and a steelmaking site of 3,000 acres, making a total of 6,500 acres. I do not know why, if they really wanted to deal with the waste in that area, they would not consider using a portion of that site to deal with the waste generated in that area. It already is zoned for heavy industry.

Certainly if I were the Minister of the Environment I would be getting in touch with the industries themselves and trying to come up with a compromise according to which each industry and each region would deal with its own waste. The region of Kitchener-Waterloo is making the same proposal and is trying to deal with its own industrial waste.

I know the crown corporation was supported by the Liberal Party as a way of dealing with it so somebody would have control over Ontario's waste. But again, the narrow ground rules laid down in Bill 90 do not give them an opportunity to look at other sites around Ontario. Many explanations have been given by the government and by the minister to the effect that they do not have the expertise, they do not have the research people or the technical people to make the studies around Ontario.

The MacLaren report pointed out there were 17 areas in Ontario that could be utilized. From our own research we know there are five consulting firms which would be available to look at these various sites. They could all be reporting back. The minister would get the confidence of the people if he would accept this proposal that we expand the criteria to look at all areas of Ontario—to look at Ontario as a whole—rather than zeroing in on one particular area which does not fit the classification as far as any culture is concerned.

The land is too good to be used for an industrial waste disposal site. If established, this site would be located along the Grand River and

will be there for all time to come. The Grand River feeds into Lake Erie so it will then affect the fishing industry of the best fresh water fishing area in Canada.

An example of what waste can do is Lake Ontario and the waste that has been feeding into the Niagara River over the years. Now those fish are not suitable for the fishing industry. They can only be eaten on an occasional basis. What is the government going to do to the future of fishing in Lake Erie? Once this site is established, it will be there. All of Ontario's waste is going to be brought there to be dealt with; to be stored there for all generations to come.

I think these are serious things we have to think about. I know by establishing a crown corporation we will have people like Dr. Chant who is an environmentalist. It has been pointed out by my colleague from the third party that they are concerned about the appointments to this corporation. Are there always going to be two from the community, two from agriculture and two from the ministry? I think that is another area that has to be clarified so we can be assured that the corporation will not be top-heavy with people who are only concerned about getting rid of the waste and have no real concerns about the feelings of the community and their concerns about the location of the facility as is proposed.

The minister has to reflect on this because he is making a decision that is going to affect not only this generation but the future of that part of Ontario forever.

Going back again to the HOPE organization, their only request was, "We urge you to consider the seriousness of this problem—." Let me back up a little to where they say, "We, as citizens, are being extremely reasonable about this issue. We are asking for nothing more, nor will we settle for anything less than a hearing under the Environmental Assessment Act. The Ontario government has chosen to circumvent its own legislation and refuses to listen to us."

That was a request put forward by the HOPE group, the region of Haldimand-Norfolk, the town of Haldimand and the town of Dunnville. They are just asking for simple justice, simple protection under the legislation as was proposed. By the way, as has been indicated by many members of the government side, it is the best legislation in the world and yet the government did not see fit to give the people in that area the opportunity to use it. They have come in with an ad hoc proposal such as this crown corporation. Some amendments will have to be

made before it is going to be acceptable and before it affords the protection to the people they justly deserve.

I hope the minister will send it to committee and will give the municipalities and the people who are affected the opportunity to have some input into the bill that is being proposed. This would help the democratic system to be moved forward in the best interests of everyone in Ontario, and in particular, the people of my riding of Haldimand-Norfolk. I think they deserve that and I hope the minister will give that serious consideration.

5 p.m.

Mr. Speaker: Does any other honourable member wish to participate in this debate?

Mr. McGuigan: Mr. Speaker, I would like to participate in this debate on Bill 90. I am going to confine my remarks to one omission. I think other areas have been adequately covered by other members. I cannot support this bill because of the omission of funding for opponents to the undertaking. Without being provocative about it—it is a matter that is mostly behind me—nevertheless I have had quite an experience the last couple of years and I would like to touch on some of the happenings in Harwich township where I live and which I represent.

The former minister announced in November 1979 that the minister would be co-proponent with Browning-Ferris Industries to establish the very plant that is now proposed to be established in Cayuga. The people found it particularly offensive that the ministry was guaranteeing \$100,000 to Browning-Ferris Industries in the event they did not win their submission, while at the same time denying the local people any funds whatsoever.

It seems to me this set up a very nasty climate for a confrontation and caused the local people to fight that much harder against what they regarded as a gross injustice. The Premier did, during the course of events, suggest to the opponents—in this case it was a group of citizens who called themselves CRAW, citizens rebelling against waste—that if they advanced the names of certain witnesses then in the judgement of the Environmental Assessment Board these witnesses could come in and give testimony.

But I asked a question of the minister: Whose witnesses would these be? Would they be witnesses for the proponents or for the oppo-

nents? The standard answer was, they are just witnesses. They are there to tell the truth and that is what they are.

My friends in the legal profession tell me a standard practice is to do what they call “wood-shedding.” The lawyer for the defence would meet with the witnesses and go over the story so they were sure they were both talking about the same thing. For instance, a witness might say it had been snowing and the questions would be, Was it snowing at that time? Was there snow on the ground? What was the effect of it?—and so on. Unless the lawyer has that background, he cannot put up a very good defence of the situation.

It was never answered whether these people would have time, whether they would be paid for research they might have to do and whether they would have a chance to be interviewed by the defence lawyer before they appeared on the stand. So that offer was really not received very well.

The other answer the minister gave me when I talked about funding was that he would not give a boondoggle—I do not really know what that word means, but it is the word he used—for environmental lawyers. The figure I had in mind for the local group was about \$50,000—and on a matching basis, because I do not believe money should be handed out to people who are not willing to put up some of the defence themselves. I think it is a principle of international law, and even local law, that one only owns what one can defend. If one does not have a fence around one's farm and the neighbour's cattle get in, it is not his fault. It is the owner's fault for not having a fence up. I do not think money should be passed out to groups unless they are willing to put up some money.

When it comes down to a boondoggle, we estimate it cost \$400,000 for the MacLaren report, Browning-Ferris Industries spent an estimated \$200,000 to \$300,000 on its presentation, Harwich spent about \$150,000, and I am guessing the Ministry of the Environment spent \$250,000 on hearings and on the preparations it made in trying to sell this. If my guesses are anywhere near the mark, about \$1 million was spent on a proposal that failed.

Had money been given to the defence, I am not saying it would have won either. One can only speculate. What I do say is, the people put up a much stiffer fight and the minister challenged them far more than he would have had he provided some money. Emotions were much higher, and the rhetoric was much higher. I

submit that in his own interests the minister should provide funding for such groups. Naturally, the funding would have to have certain guidelines, and I am sure he could develop guidelines. He might even have some sort of review board that would look at individual cases to decide whether funding was merited.

I am sure the minister has already discovered in his new office the distrust and cynicism that exists in the field. The not-in-my-backyard syndrome is prevalent. The former minister was constantly accusing us of that. I submit it is no small wonder there is that feeling about politicians. We had the Watergate affair. We had a number of other affairs.

An hon. member: The town of Vaughan.

Mr. McGuigan: I said I would not be provocative; so I am not going to mention where these other areas of distrust come from, but they are there.

On the scientific side, there is also distrust of the scientists. Surely there were scientists in the Hooker Chemicals company who knew what was going on and who knew there would be problems down the road, yet these scientists kept quiet in the case of the Love Canal.

There is a question of conflicting statements from different people. In the case of Harwich township, the Ministry of the Environment people told us it would take 800 years for the water to percolate down to the watertable. Yet some recent statements from the Ministry of Health say there are materials in the water now that have come not from the landfill site but from air pollution. They also say the water that is being drawn percolated there 30 years ago.

All one has to do is put these various statements together to find out they just do not match. There was not much air pollution 30 years ago, and the 30 years does not jibe with the 800-year figure. So there is all sorts of mistrust and cynicism.

I believe these people are reasonable. The people of Harwich were at times characterized by the former minister as unreasonable. I think he used stronger terms than that. I submit they are as reasonable as any people in this world, and they conducted themselves in a fine manner. I am proud of them.

I submit to the Minister of the Environment that it would be in his own interest to fund local people to make the process appear fair and to try to do away with or set aside much of the cynicism and mistrust that exists in the field. The minister probably already senses that.

In the case of Cayuga, I realize the chairman,

Dr. Donald Chant, according to the press, said there would be some local funding. If Dr. Chant were to resign his position, I suspect this whole Cayuga thing would be thrown out. Because of the power he now wields, he has been able to extract that commitment from the ministry. I submit that all such undertakings, not just ones in the hands of Dr. Donald Chant, deserve the same treatment.

Just covering that one aspect of the bill and the experience I had in my own riding, I find it very difficult to support this bill.

5:10 p.m.

Mr. Riddell: Mr. Speaker, I rise on a point of privilege. In making her comments, the member for Beaches-Woodbine (Ms. Bryden) stated that after seeing the industry in Germany and Denmark, I would invite it into in any of the ridings in Ontario without a hearing. The member—inadvertently I am sure—misled the House.

I was interviewed by the press when I came back from Germany and Denmark. I indicated to them that, with the kind of industry we saw over there and the sound, practically foolproof method of disposing of waste chemicals, and with the clean industry that we saw, we would have no trouble—and I was not the only one on the committee; there were a few other members on the committee who said the same thing—in defending that kind of industry if it were found to be suitable for our ridings.

I did not at any time suggest that we should be inviting it without a hearing. I think I made it perfectly clear when I was interviewed by the press that there had to be a hearing, but I said that time was of the essence and we could not delay hearings until it was too late. In other words, I said we do not want to run into a series of Love Canals. I definitely indicated that there should be a hearing, but I am also convinced that we have the technology, time is of the essence and we have to get at the job.

Ms. Bryden: Mr. Speaker, I have a clipping from the Globe and Mail for January 20, 1981, in which the member for Huron-Middlesex is quoted as saying, "I would invite one of these plants into my riding." There is no comment about a hearing.

Mr. T. P. Reid: That is hardly what you said earlier when he was not here to defend himself.

Mr. Speaker: Order.

Mr. Nixon: Mr. Speaker, there is no doubt that over many years Ontario has experienced a growing problem with the elimination or con-

trol of liquid industrial waste. One of the problems that faces us as politicians is why it had to come to such an emergency before action was taken. Naturally, if there is any credit and if there is any blame to be attached to an individual, the minister's predecessor has had to carry a good deal of that load before his retirement from active politics.

The present minister is simply fulfilling the commitments made by his predecessor. Of course, he had a part to play in that he was one of his predecessor's colleagues. In those days he might not have thought of finding himself in this situation, which is not an easy one for a minister. When one contemplates what might be running through the mind of ministers and prospective ministers when all the offices are being passed around, I think this is not one that would be eagerly sought after.

However, the minister has been protected to some extent by his sort of low-profile approach. He is not shirking the responsibility—and I give him credit for this—he has been travelling down to South Cayuga and meeting with the various citizens there. They did not accept the minister's proposition in any way that I could fathom from public reports. I know the minister will be glad to know that at least representatives of that group look forward to attending the standing committee which will deal with this bill, if and when it gets second reading, although I and my colleagues intend to oppose it and we will oppose it.

The minister is aware that the chairman of the regional municipality has been one of the major spokesmen in opposition to the imposition of this government decision that South Cayuga should be the repository of liquid industrial waste for their treatment and eventual disposal.

Besides that, there are a number of community groups, most significantly one designated by the acronym HOPE, which have gone to the trouble to gather a good deal of information and in many ways focus the opposition in the community. I know that my colleague the member for Haldimand-Norfolk (Mr. G. I. Miller) has been in regular communication with these people, and we expect that they too want to appear before a standing committee which might be asked to consider a detailed review of the provisions of the bill.

It is unfortunate—and we need not repeat the arguments—that the problems in Ontario have reached such an emergency as to result in the presence of this bill, which states specifically in its provisions that the Environmental Assess-

ment Act, the Environmental Protection Act and the Ontario Water Resources Act, which require public hearings "do not apply in respect of . . . an activity, enterprise or facility . . . of the corporation; or . . . in respect of the property described in the schedule." That is South Cayuga. That is the giveaway, in more ways than one, that the ministry is making without the careful moderation they pride themselves on.

This is an emergency bill. The only reason the concept is flying, frankly, is that Dr. Chant, perhaps in some desperation, was prevailed upon by the spokesman for the government to agree to be chairman of this corporation. As I recall his original statement, he said that since it was decided by the government—and nobody doubts their powers—to impose this liquid waste disposal facility on South Cayuga, the least he could do was to use his professional abilities and the undoubted respect he has commanded in the community to see that it would be the best that money can buy. The fact that it is going to be the best that money can buy seems to be the only defence the government has.

Personally, I feel that Dr. Chant did not show good judgement in doing this, particularly since it required his resignation from a most important citizens' group that has been very much a watchdog on government policy and certainly a critic of statements made by opposition members with regard to the environment over these many years.

There is a tendency for many people to think—and I am not sure I am in that group yet; I will have to observe more carefully as time goes on what his actions are—that the undoubted prestige of high government position, together with all the emoluments that go with it, has perhaps tended to cloud his judgement.

We have to take at face value what he has said: The government has decided that the blooming thing is going to go in South Cayuga, and therefore his place in the Ontario Waste Management Corporation is simply to see that it is as safe as it possibly can be. On that basis, we have to maintain our respect for his integrity and for his service in the community.

As you know, Mr. Speaker, other citizens have been persuaded to take part in the corporation that would be established by this bill but is already having meetings and issuing advertisements that are going to be paid for by money from somewhere. The advertisements appear in all the dailies—even in the Sun, for goodness' sake—indicating that they are going to be holding certain hearings.

There is a strange cloudiness over the effectiveness of these hearings, almost as if they are tantamount to an environmental assessment. Of course, that is not so, since the original statements indicated clearly that the government was committed to locating this facility in this location. They have fiddled and fudged at that a little bit, indicating that if there is any indication that this is not an acceptable position they will reconsider the decision. But certainly the original statement made it clear that the former minister had seized the nettle firmly and had decided that this was where the industrial liquid waste would go.

I appreciate what has already been said by my colleagues and I support their concept of this problem entirely. But it is interesting to note that it was not decided until fairly recently that the situation was in such a mess that we had to solve it with this Draconian solution, setting up a special corporation, setting aside a property that was not protected by the various laws of the province, giving it special funding and getting it the best people who could be persuaded to serve.

5:20 p.m.

In one instance, the mayor of Haldimand, a fine lady indeed, was persuaded to join this board, even though the corporation had not been established. At one of the meetings of the corporation of the town of Haldimand, the council voted to dismiss the mayor from that meeting since they were meeting with their lawyers on a procedure to stop the imposition of the waste disposal site. They felt that a member of the corporation, even if she were the mayor, should not be there to listen to their deliberations. I understand she left the meeting and then came back, indicating it was illegal that she be dismissed from the confidential deliberations of the council.

Because of this sort of bad leadership and bad decision, I suggest that the ministry is guilty of being a very disruptive influence in the area. That is regrettable.

It was the former Minister of the Environment who finally decided this tough decision had to be made. I am sure he agonized over it, but he made the decision. I personally believe it was the wrong decision, because surely he had felt until that time there were alternatives to such a monstrous liquid waste dump. He did not like it called a dump; he called it a repository.

There is some idea that if one spends enough money all the liquid waste will go in there and disappear. There will not be even a puff of

smoke, because that is not permitted; it will simply disappear. We do not know whether it would be retained in large tanks, which presumably it is, or whether they will dribble it out into the lake or river after it has been properly neutralized and equalized and generally made innocuous.

It reminds me of the old Ontario Water Resources Commission, which came up to open a sewage disposal plant in my area, and the chairman said, "This effluent is good enough to drink." Somebody handed him a glass of it and he said, "Well, that is what they tell me, but I will let them experiment with it themselves."

Some of the liquid wastes do require very special treatment indeed. I do not want to go over the problems we have experienced with polychlorinated biphenyls, other than to remind you, Mr. Speaker, when this problem emerged rather rapidly, it was decided they would all be kept in cans with a nice barbed-wire fence around them in the constituency of Lincoln, which was then represented by a Liberal. Then they decided that was not good enough and they would spend \$5 million on storage in the constituency of Brant, which is represented by yours truly. Now they have abandoned that plan, and they are going to put them in a \$65-million facility in Haldimand-Norfolk, which is represented and will continue to be represented by my colleague, who also is a Liberal.

I am not sure that is irrelevant, because the number of sites recommended by the MacLaren study included 17 sites in various parts of the province, and this was not even one of them. The only recommendation this property had was that the then Treasurer, John White, had bought it in a flight of fancy some years before. It had become apparent that there was absolutely no use that property could be put to, in spite of the fact that John White had described it as a Garden of Eden in Ontario. In many respects, it is. It is situated between Lake Erie and a bit of a bend in the Grand River. The concept that John White had was that this was going to be a fine new community that would serve the expanding population in this area along Lake Erie that was destined for industrial growth.

It seems ridiculous indeed that, when the consultants, MacLaren, had been hired by the ministry at great expense—one does not get those people for a low fee—to make a recommendation as to where such facilities should go, the government should decide, at the same time dispensing with all hearings on the environmen-

tal assessment, that the one place they would put this dump, this liquid waste disposal facility, was in an area that was not recommended and was selected by the chief planner of the province. The Treasurer in those days, when he actually had some work to do, was considered and designated himself to be the chief planner for the province. It was selected by him as the site of a new community with all the best aspects, including location and environment, that possibly could go with such a new community. Now the designation is as I have described it.

I want to say something about the polychlorinated biphenyls and other industrial liquid wastes to this minister in particular, since he represents the riding of Kingston and the Islands. One of the most impressive, objective authorities on the disposal and destruction of liquid waste is Dr. Tom Barton, who is a research scientist and professor at the Royal Military College in Kingston. He probably even votes for the minister, for all I know, although I really did think his judgement was rather superior.

Hon. Mr. Norton: That is an obvious indication that it is.

Mr. Nixon: If the minister wants to deal with that, he can go right ahead. During the brief period of time when the government had decided the best solution to all its problems was to dump all this stuff in the riding of Brant-Oxford-Norfolk in the township of Onondaga, we contacted Dr. Barton, who had perfected a new procedure for the high-temperature combustion elimination of PCBs.

He had done a good deal of research and actually completed it with the generous addition of about \$600,000 from the Treasury of Ontario which was directed his way by the former minister. I know that Dr. Parrott at the time had said publicly he hoped this process could be used to eliminate the dangerous industrial wastes for which other procedures were not proper and that we could develop this high-temperature electric furnace, which would be portable. It would move around the province to where Ontario Hydro and other agencies were going to be taking PCBs out of service and actually burn them up, destroy them on the scene, with all the controls necessary for safeguarding the citizens in those areas. These liquids would not have to be loaded in containers and on trucks and dragged many miles over questionable road facilities to some central disposal site. That is what he wanted to do.

It has never been made clear why that concept was abandoned. It may well be that it is not possible. I am sure it is not possible to take all the tremendous gallonages of pickling liquors and acids from steel processes and so on and put them all through the electric arc furnace. I forget just what he called it.

Hon. Mr. Norton: A plasma arc furnace.

Mr. Nixon: A plasma arc furnace, right. That is probably not possible. But Stelco, Algoma Steel and so on have been getting rid of pickling liquors for a long time. It probably was not the best in the world, since they have to be treated with neutralizing substances before they are put in a water course. Still, there are procedures without having to take them to one central location in the province.

I hope in his response the minister will indicate what sort of communication he has had with the researchers at the Royal Military College. In my opinion, Dr. Barton in his presentation to a large and interested group of citizens in Onondaga township, having to do with the disposal of PCBs, made a presentation that was as good as any I have ever heard.

He certainly did not talk down to anybody. It was necessary for us to strain ourselves, I suppose—certainly I had to, if not the other people—to understand some of the intricacies of what his proposals were. He was fully financed by federal and provincial government funds and had come up with what I feel was a world-class alternative to the storage of PCBs.

There is no indication that this facility, even though it is going to cost \$65 million, is going to contain a facility other than a big tank for the disposal of PCBs. If the answer is that they are going to drag all the PCBs in the province down there and put them in a tank, that is not a good alternative compared with the less expensive, more effective and permanent solution proposed by the minister's own constituent.

As a matter of fact, I have been provided with a copy of a letter signed by Dr. Barton, dated April 1, 1981, in which he was responding to an inquiry from a citizen, Mr. C. J. Bronson of Dunnville. He says as follows in that letter: "South Cayuga is not by any assessment an ideal toxic waste disposal storage area, and an environmental hearing is in order, legally, prior to its establishment."

I do not believe Dr. Barton has any axe to grind other than his personal commitment and belief in the efficacy of the apparatus that he invented, developed and proved, using our taxpayers' money. I do not know why we should

allow the minister to allow that alternative simply to drop out of sight rather than keeping it in the forefront.

My colleague the member for Haldimand-Norfolk also mentioned that during his visit to South Cayuga the minister told the citizens of the area that the reason he was not looking at alternative sites was that there were not enough professional hydrologists available to do the research needed. There was not time, and what was implicit in what he said was that the decision had been made.

The minister, they say, can be quite persuasive. I am sure he would not go down there and say: "The decision has been made. Why don't you people just be quiet and we will spend enough money to keep you safe?" Obviously, the citizens are not going to accept that explanation.

They do not want to become a world capital for liquid waste storage, which is really what the minister has in mind. He does not have anything that is going to dispose of the chemicals that we are really concerned with, even though he intends to spend \$65 million. The PCBs, it appears, are simply going to be kept in tanks, although there is some thought that there will be some sort of a kiln that might undertake some of the disposal.

It is a known fact that there are professional people trained in hydrology, or whatever the science is, who could have done the research that the minister said could not be done. I feel the reason it cannot be done is that by agreement the government has simply decided to pursue the Harry Parrott initiative, come what may, and it has have decided it is going to set this problem to rest by offending a small group of people who live in South Cayuga, since it is a Liberal riding anyway.

I feel that it is basically unfair. The whole concept of setting aside the legal requirements for environmental assessment, which has been on the law books for five or six years, is an indication of the lack of good faith of the government.

We must oppose the bill. In the unacceptable event that the bill passes in spite of our opposition, I hope the minister will make himself available to discuss the matter further with the citizens who will be exercising their right to come to Queen's Park to express their views as to its provisions, before the bill goes further.

Mr. Roy: Mr. Speaker, I want very briefly to put my comments on the record and join with my colleagues in opposition to this bill.

When historians put this type of action in perspective, they will see that this whole process of Bill 90 is really a corporation that is going to be, as my friend the member for Brant-Oxford-Norfolk has said, looking to establish this plant—which is a nice word for it, but a more realistic word for it would be a dump—in a particular riding or in a particular area of the province.

When people look at this in the perspective of time, when they look at the evolution of a very sophisticated society and a very sophisticated government, such as this Ontario government, which has been in power for so long, it seems to me they will see this situation as one of the more cynical acts of a government that has been in power for so long.

It will be reviewed in the perspective of a government that had established, originally, prime farm land, a government that professes to have concern about agricultural land and wants to preserve this farm land. They will see it in the perspective of this government having taken this land and John White having decided that this was going to be the area of a city. In the perspective of time, they are going to see how ridiculous this whole process, this whole idea, was to start with.

Then the government proceeded on from there to say: "We have this land available. We have this very tough decision to make about where we are going to establish this plant." It has decided it is going to put it on farm land that is not only no longer suitable for use as a city, but is going to be used basically for a dump. But possibly even more cynical than the fact that the government is going to put this plant, this dump in fact, on prime farm land in an area where there is the potential for a serious disaster, is the fact that it is doing it in a Liberal riding. I think that should be put on the record. As a member, I would not be doing the service the people of Ottawa East have sent me here to do if I did not expose some of these cynical moves.

First of all, the government takes prime farm land and establishes this type of repository for our waste. It creates a dump in that area. Then it goes a cynical step further and does it in an area it knows it cannot win politically. It insults the people of that area by saying, "It is a Liberal riding and that is where we are going to put this thing." That is where the decision is made. To further complicate things, the government is doing it, and then going a step further by wanting to get around its own legislation.

There is law in this province calling for an

environmental hearing, an environmental assessment, of such a project, but the government is again getting around that. I am not necessarily looking at this minister as being the author and perpetrator of this whole cynical act, but he is a part of the government. He is part of the process that continues.

In the perspective of time, in the perspective of history, I suspect people will be looking at this decision as one of the more cynical moves of a government which professed at some point to be impartial and neutral. Then it goes and puts this in a Liberal riding, on farm land and, finally, gets around its own legislation. What more cynical and what more hypocritical move can it make?

I thought it important that I, as one member of the Legislature, at least put it on the record if nothing else. We do not have the bodies, and the government has enough people around to get the legislation passed. But the fact remains that some of us at least are on the record as opposing such a cynical move.

Mr. Mancini: Mr. Speaker, I want to take just a few short minutes of the House's time to give my views on Bill 90, An Act to establish the Ontario Waste Management Corporation. I want to say to the minister in my own way that I thought, possibly after the election had passed us by and after the Tories had been returned to office, they would give this matter some new consideration; they would realize the injustice they have perpetrated on the people of that area of Ontario over the past few months; and they would realize they were taking away from the people in that area rights guaranteed to them by law, rights guaranteed to them by this Legislature.

I am highly offended that we prepare legislation and we enshrine rights for all the citizens of Ontario. Then, at the behest of the incumbent government, whenever it serves its own political purposes, it decides to ignore the rights this Legislature had considered and had passed. I want to know from the new Minister of the Environment (Mr. Norton) why he has steadfastly stuck to the position of the government, prior to the election, not to have an environmental assessment hearing. Why has he stuck to that position? Why has he denied the people in that part of Ontario their rights which had been enshrined by law?

5:40 p.m.

What justification does he have for using some of Ontario's best prime agricultural land?

What justification has he to build this monstrosity of a treatment plant for chemicals without letting the people go through a system that had been set up to protect their health and their environment? I say to the minister there is no justification.

I see the Premier (Mr. Davis) is sitting next to him. I know he believes a law is fully considered before we pass it in this province. When we give people rights such as the right to oppose things, it should not be taken away freely and it should not be taken away for political purposes. I say to the Premier, to the Minister of the Environment and to all the Tory members over there there is absolutely no justification for not having an environmental assessment hearing other than it is politically expedient for them.

In this type of free society, we try to pride ourselves on how open and free government is and how we have implemented steps whereby people can oppose decisions made by government in a fashion which is peaceful and gives them an opportunity to put their views forward.

I know the members are anxious to vote. I just wanted to make sure it was on the record that I object to the way the government has handled this matter and I object on the grounds that rights have been taken away. I do not find it very tasteful.

Mr. Speaker: Does any other honourable member wish to participate in this debate? If not, Mr. Norton.

Hon. Mr. Norton: Mr. Speaker, I shall try to be brief. I am sure all the honourable members would like to vote on second reading prior to the six o'clock recess of the House.

It is tempting to respond to the kind of cynicism, sarcasm and personal remarks that have come from the opposite side in the course of the debate this afternoon. However, I shall try to restrain myself. The calibre of debate in this Legislature at times does sink to an all-time low. I would say to the member for Ottawa-Carleton—is that where he is from?—

Mr. Roy: Ottawa East.

Hon. Mr. Norton: —when he stands up and makes statements about how historians are going to view the acts of my predecessor, that historians, looking back at the decisions made by my predecessor, will see him as a statesman dedicated to responding to an urgent matter of public importance. The real cynicism—

Hon. Mr. Davis: The real cynicism is over there.

Hon. Mr. Norton: That is right. The real cynicism on this issue is on the part of those people who are not prepared to address the really fundamental matter, but who inflame passions, ignore facts and try to seize the political opportunity every time to embarrass government at the expense, if necessary, of dealing with an issue of importance to the public.

The member for Essex South (Mr. Mancini) asks why we did not change after the election. The reason we did not change after the election is we are Conservatives on this side of the House, not Liberals.

Hon. Mr. Davis: A bunch of Socialists over there.

Hon. Mr. Norton: That is right. This is not a matter of a Port Hope decision where the federal Liberal Party relocated a plant to Sudbury or North Bay after the election. We are consistent. We act out of principle and conviction on this side of the House.

I am pleased they have said, "Since you have a majority, it will be steamrollered through." I suggest to the members I suspect it will be supported by all the members on this side of the House plus, of course, by at least one honourable member on the other side of the House. I would just like to read into the record very briefly what he said, and I think it takes courage for a man to speak from his heart and to speak out of principle.

He said: "I have been wanting to get this off my chest for some time, and now that I have I am going to sleep tonight. I am a farmer. I believe I am practical and I believe I am reasonable. But I am concerned that we are going to run into a series of Love Canals, and I sure do not want to be the one to stand up in front of the people who have to live in this environment and say to them that I am the one who delayed the minister in this decision."

He went on to say: "The technology is available, and we have to get something in place. We cannot continue to dump this stuff into the landfill sites. I do not want midnight haulers coming along my concession road and dumping it into a ditch or a creek that runs through my place. We have to do something different than we are doing. We cannot waste too much time in doing it."

I think we all know who that honourable member is. I have great respect for the member for Huron-Middlesex (Mr. Riddell) in honestly speaking his mind to the committee in January.

Many things were raised that I would like to

address, for example, the question of plasma arc, which was raised by the member for Brant-Oxford-Norfolk (Mr. Nixon). I hope that technology will be used in the future. In fact, nothing in this act precludes its use in any event. The fact of the matter is that it has been very promising on a very small scale, and we are now awaiting the results of a larger-scale model. Some considerable testing is yet required to ensure that the burning process does not result in the formation of any worse chemicals, such as dibenzofurans, as happens in burning under some other circumstances. I think we have to check all those things as new technology develops. We will do that and we will use the best technology available.

For members opposite to repeatedly ignore the fact of the technology and to refer to what is being proposed as a dump, just ignores the facts. The member for Huron-Middlesex certainly knows that the technology exists—he has seen it. We can improve upon what he has seen, I am told, and we will. But for members opposite to continue to refer to it as a dump and to say, "It will be dumped on that site and it will disappear somewhere," is really bordering on being irresponsible, I suggest, in terms of the kind of fear that it can create in the minds of the people of this province, whether they live in South Cayuga or elsewhere because that is not what we are talking about at all. We are talking about the establishment of a safe technology and a safe treatment site.

Of course, contrary to what some members have suggested, the site has not been predetermined to the extent that if it is unsafe it will still be located there. The matter of ultimate importance in the mind of this government is that the site be safe, that the technology be safe and that we move with as much haste as we can safely to establish a treatment facility. That is in the interests of all the people of this province and is ultimately in the interests of the people of South Cayuga if the site is to be there.

A number of the things that have been raised can perhaps be better dealt with in clause-by-clause consideration. It is my understanding that the House leaders had had some discussion about this. I am certainly not averse to dealing with the matter in committee. In fact, I welcome that opportunity on the understanding, I trust, that the matter will be reported back to the House before the rising of the House. From the way things are going, I suspect we may have some considerable time to go.

Just on a personal level, I had hoped that the

members would not keep me tied up in committee next week. I have two important commitments. One is in Albany, New York, where I will be meeting with my counterpart from New York State to discuss some matters relating to the Niagara frontier, which will be of great interest to my colleague, the critic for the Liberal Party. I had a second meeting later in the week where I would be appearing before a Senate committee on the matter of acid rain. If necessary, I will sacrifice those and try to establish later opportunities in order to be with the members in committee, but I would hope we can deal with it more quickly than that.

Mr. Speaker, I think I will wind up my remarks so that we can vote on this matter before six o'clock.

6 p.m.

The House divided on Mr. Norton's motion for second reading of Bill 90, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Elgie, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Kennedy, Kerr, Kolyn, Lane, Leluk;

MacQuarrie, McCaffrey, McCague, McLean, McNeil, Miller, F. S., Mitchell, Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Shymko, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Breagh, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., Kerrio, MacDonald, Mackenzie, Mancini, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip, Reed, J. A., Reid, T. P., Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 62; nays 47.

Ordered for standing committee on general government.

Hon. Mr. Wells: Mr. Speaker, with the agreement of the House, I would like to revert to motions.

Agreed to.

MOTION

STANDING COMMITTEE ON GENERAL GOVERNMENT

Hon. Mr. Wells moved that the standing committee on general government be authorized to sit tomorrow afternoon, Wednesday, June 24, 1981, to consider Bill 90, An Act to establish the Ontario Waste Management Corporation.

Motion agreed to.

Mr. Cassidy: Mr. Speaker, on a point of order: I have the honour to note the presence in the gallery of Lucie Nicholson, the Ontario president of the Canadian Union of Public Employees, and a strong supporter of the rights of hospital workers in Ontario.

The House recessed at 6:09 p.m.

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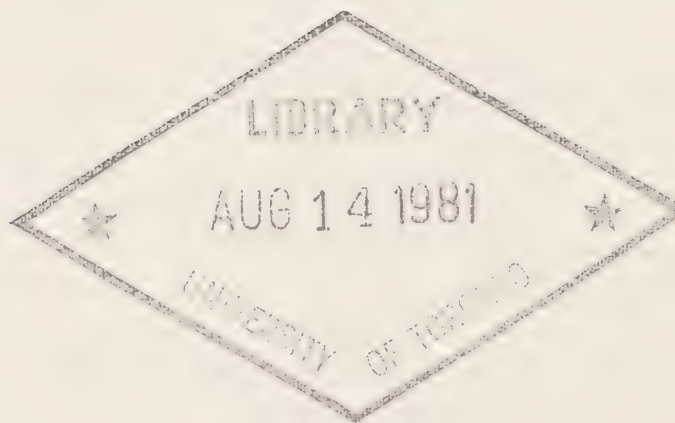
Ontario

LEGISLATIVE ASSEMBLY

No. 57

Legislature of Ontario Debates

Official Report (Hansard)



First Session, Thirty-Second Parliament

Tuesday, June 23, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

Tuesday, June 23, 1981

The House resumed at 8 p.m.

GASOLINE TAX AMENDMENT ACT (concluded)

Resuming the adjourned debate on the motion for second reading of Bill 72, An Act to amend the Gasoline Tax Act, 1973.

The Deputy Speaker: Now, let me see, who had the floor? Oh, as I recall, it was Ms. Copps.

Ms. Copps: Thank you very much. I need to catch my breath. Actually, Mr. Speaker—

The Deputy Speaker: Yes?

Ms. Copps: —in all fairness to the number of other members on our side who want to speak, I am going to make my remarks in summation this evening very short.

Some members may remember that I did not speak yesterday on the ad valorem tax simply from my own impressions. What I did was I stated case after case of government minister, government member, government leader, government Premier, who, one after the other, indicated they were against an increase in a resource tax that was not tied to the actual increase in supply.

What I have attempted to do is to establish and show to the voters of Ontario and to the taxpayers of Ontario that the proposal of the post-election government, the realities of March 19 government, with respect to the ad valorem tax is an attempt to profit from inflation and to gouge the taxpayers of Ontario. It is not an attempt to wisely use the mandate that this government has been accorded by the people of the province but is an attempt to exploit the very mandate that was given to this government.

In closing, I want to read from a campaign folder that I pulled from the garbage at our local library in Hamilton. I found it in the garbage pail, and I thought it might be particularly salient to this discussion. I want to read some excerpts from the Premier's (Mr. Davis) February statement which announced the election, and I want to tell this House and reiterate to this House on what the Premier, on the Office of the Premier's stationery, attempted to seek a mandate.

He was seeking a mandate to "preserve, enhance and increase the overwhelming promise

of Ontario and her people," which he said was "based on its record of past performance, as well as its clearly outlined plans for the future. . ." Again, from the Office of the Premier in February 1981, he said he was seeking a mandate to fight for fair oil pricing and revenue distribution. He said he was seeking a mandate to continue that effort to "protect Ontarians from unfair price increases that would do little to increase supply security, while working on the national scene for a new revenue distribution system that would protect both producing and consuming provinces, while enhancing the national interest." He went on to say: "Our commitment in this respect has neither softened nor changed."

The government also sought a mandate for fair energy policies. "We seek a mandate to ensure that the energy policies developed in this country would not only ensure our future requirements, but serve fairly and equitably all Canadians from coast to coast."

"We seek a mandate to combat inflation. . ."; they said that when this government has the audacity to introduce the most inflationary tax that has ever been seen in the history of Conservatism in Ontario. They said, "We seek a mandate to combat inflation, through smaller and more efficient government, avoiding tax increases, and supporting those on fixed incomes, particularly our senior citizens."

I ask members whether this ad valorem tax establishes and continues those principles. Does it continue the principle of fair oil pricing and revenue distribution? Does it continue the principle of fair energy policy? Does it continue the principle of less inflation? We on this side of the House have only one answer: No, no, and once again, no.

This government sought "a mandate to stimulate the growth and development of our important resource industry in all parts of the province but particularly in northern Ontario," and on and on.

The last and perhaps the final promise made by this government and this Premier in his handout of February 1981 is the promise to promote industrial expansion and economic opportunity.

"Above all, we will seek a mandate to make

constant and consistent efforts to continue to expand our industrial base, create more jobs, not only through encouraging new and expanded enterprises but also through efforts to enlarge markets for the products and services developed by the working men and women of this province."

I must read the summation with trepidation, because I think it epitomizes the hypocrisy of this government and the hypocrisy of the promises thrown out the window with the majority mandated by the people of this province.

"This province and the people who live within it are among the most blessed in the world. What Ontarians must reflect upon now is how best to advance the promise of this vast, unique and historic Ontario, ever true to her traditions and loyalties, ever ready to conquer the challenges of her future. It is in that cause that I seek their support, their confidence and their trust for the coming four years." It is signed by the Premier.

If this ad valorem tax is an indication of the kind of promise that was made to Ontarians prior to March 19, then I say to this House that the Premier of this province and the members who are sitting on that side have violated the support, the confidence and the trust of the people of Ontario, and more than likely will continue to do so for the next four years.

Because I am a believing person, I must believe there are some members on that side of the House who will have the courage to stand up and speak against this ad valorem tax. One talks to them in the hallways, one talks to them in the corridors of this hallowed place, and they all agree with the minister who introduced this plan that the ad valorem tax is a wonderful thing. Yet none of them, with the exception of the minister, has had the courage to stand up in this House and say before all and sundry and to their constituents that this ad valorem tax is a wonderful way of producing new revenue for this province.

I go back to the comments made by the Treasurer of Ontario (Mr. F. S. Miller) when he told the Men's Canadian Club of Ottawa that he was involved with a balancing act and that he gazed into his crystal ball; and what did he pull out of his crystal ball but the ad valorem tax.

I would reiterate and the members of this side of the House would reiterate—

Excusez-moi, si vous voulez, je peux toujours continuer en français pour ceux qui aimeraient

mieux comprendre en français. Je vais continuer en français. Je vais accélérer mon rapport à propos de cette question.

D'après moi, les gens de l'Ontario ont au moins le droit de savoir ce qui arrive dans cette Chambre. Ce qui arrive ce soir avec cette taxe ad valorem sur l'essence est une chose insidieuse qui doit être connue de toute la province.

Je vais continuer à parler non seulement aujourd'hui, mais pendant quatre ans, parce que moi et les membres de ce côté-ci ont eu marre de ce que vous essayez de faire après le mandat qui était donné par les peuples de la province de l'Ontario.

8:10 p.m.

Vous abusez les pouvoirs de la Législature. Et je pense que vous auriez mieux, si vous avez un avis à donner, vous mettre debout dans la Chambre et en parler. Mais vous n'avez pas le courage et alors il serait mieux pour vous de ne rien dire.

Interjection.

Ms. Copps: Vous n'avez pas le courage, M. Piché, de vous mettre debout dans cette Chambre pour parler en faveur de cette taxe sur l'essence.

Il serait mieux de ne rien dire du tout.

In closing, I want to say that the members on the government side of the House do not have the courage to stand up and make their feelings known to the voters of Ontario, because they are afraid that four years down the road their remarks will come back to haunt them. They know and understand very well that the people of Ontario find this tax an insidious tax, a tax on an inflation on an inflation, a tax with which this government has shown complete disregard for the people of Ontario and for the mandate it received on March 19.

I invite all the members on that side of the House who feel so strongly about this tax that they would like to say it here in the House to please stand up and tell the people of Ontario how they love this tax and how much they are in favour of it, because I venture to say that the ministers and the members on that side of the House do not have the courage of their convictions.

The members on this side of the House will join together to defeat this bill, because we think it is the first example among many that have already been demonstrated. We can talk about Re-Mor; we can talk about housing; we can talk about the Ontario health insurance plan; we can talk about personal income tax. The members on this side of the House are

going to stand firm with the people of Ontario to fight this tax and to fight this government for the next four years.

Mr. Mancini: Mr. Speaker, I do not think I will be able to speak for as long as the member for Hamilton Centre (Ms. Copps) has spoken, but I want to tell the Conservative members that there was absolutely no distortion of the facts in the lengthy debate that the House has heard from the member. All of the quotations—

Mr. Hodgson: The member does not believe that.

Mr. Mancini: I say to the member for York North (Mr. Hodgson) that all of the quotations were taken from speeches given by certain ministers of the crown, by the former Minister of Energy, by the present Treasurer (Mr. F. S. Miller) and by the Premier (Mr. Davis). They were quotations from 1977 all the way up through the just-completed election campaign of March 19, quotations from different, well-respected newspapers.

Around those quotations she was able to build up a case against the political cynicism and hypocrisy which the government has exhibited over the past four years and which would rival that of any government in the world. In most jurisdictions, governments would have been turfed out of office for less.

We have witnessed, Mr. Speaker, and you have been in this chamber and heard the same speeches we have heard, and you have read the same newspaper articles we have read, and time after time we saw the Premier of Ontario try to build his image as a statesman by putting himself in conflicting positions with the Premier of Alberta over the costs of energy, specifically oil.

I sat in my seat, as did many of the members here; we saw the Treasurer of Ontario rise, we saw the Premier of Ontario rise, and we saw one of the most vicious attacks against the federal government I have seen in the six years I have been here. The government of Charles Joseph Clark was attacked day after day, both in this chamber and outside this chamber, for its proposal to increase the cost of oil from western Canada. The Conservative Party of Ontario was as helpful as any segment or group or association to the federal Liberal Party during the time leading up to the February 1980 election as was any group associated with the federal party. It did more to tear down Charles Joseph Clark—

Mr. Pollock: Joe Who?

Mr. Mancini: That is right.

It did more to tear down Charles Joseph Clark and his new government than anybody else. The Conservative members did so—

Mr. Worton: To save their own hides.

Mr. Mancini: Yes; to save their own hides, for one. That is a very good point the member for Wellington South (Mr. Worton) makes.

But they did more than just about anybody else. They said they were making this opposition, not for political purposes but for sound economic reasons. They said the manufacturing industry, the consumers, farmers and small businessmen of Ontario could not tolerate such increases in the prices of gasoline.

The member for Cochrane North (Mr. Piché) should have been here. He would have been proud of the defence the Treasurer and the Premier made on behalf of those people. He would have been rightfully proud. But now they have regained a majority; they have 70 seats. They are safe for four years.

The statesmanship we saw from the Premier concerning the costs of energy before the March 19, 1981, election has somehow fizzled away. The defence for the consumers, the defence for small businessmen, the defence for farmers, the defence for the manufacturing industry have all fizzled away. The Tories no longer speak of the havoc these increases will wreak on our economy. They no longer speak of those problems. They just sit quietly in their seats. They thump their desks when they get instructions from the chief whip. They read speeches that have been prepared for them.

Hon. Mr. Ashe: We all show up. That's more than you did for your own no-confidence motion. You're talking through your hat as usual.

Interjections.

The Deputy Speaker: Order, please. Mr. Mancini has the floor. Please continue. We are trying to bring the members into order as well as possible.

Mr. Mancini: Yes, Mr. Speaker, that is right. They take their seats, they come in here day after day. The government introduces bills, such as Bill 72, An Act to amend the Gasoline Tax Act, and they sit in their seats and exercise no influence whatsoever on the cabinet.

8:20 p.m.

I wonder how new members, such as the member for Cochrane North, the member for Leeds (Mr. Runciman), the member for Cambridge (Mr. Barlow), the member for Oxford

(Mr. Treleaven) and the member for Brantford (Mr. Gillies), can go back to their constituencies. I have heard none of them have gone home for a weekend since this bill was introduced.

I do not know how they can honestly go back to their constituencies and face the people to whom they gave speeches, the people they asked to help them to get elected, and show them speeches and quote speeches by the Premier where he stated he wanted a mandate to avoid taxes. That is what he said. That is a direct quotation from a speech given by the Premier either on the day the election was called or just before. That is what he wanted: a mandate to avoid taxes.

Most governments can be accused of hypocrisy. I do not think there is a political party or a government that could not be accused of hypocrisy. But to have Ontario, the largest province in Confederation, start a war of words with its sister province of Alberta, to keep that war going for several years and to do it for such a transparent reason—to regain political office by a majority government—is shameful.

One could travel the globe, but one would be hard pressed to find a government that has gone to such great lengths to be re-elected with majority status. Those guys have perpetrated the biggest con job I have ever seen. This tax bill makes the great train robbery look like small potatoes.

I respect the member for Stormont, Dundas and Glengarry (Mr. Villeneuve) quite a bit. I have breakfast with him often. With all due respect, I say to him that his political party has done a fantastic job of getting re-elected time after time, but its record as far as giving good government is concerned is lousy, in my view.

Hon. Mr. Ashe: It happens to be one and the same in case you did not know.

Mr. Mancini: It is not one and the same, I tell the minister.

We heard today the amounts of money the government has spent during the year 1980 to promote the Ontario Conservative government. The government has abused the public purse. We heard figures today that just boggle the mind: \$23 million or \$25 million spent—

The Deputy Speaker: Working your way back to the ad valorem tax.

Mr. Mancini: Mr. Speaker, that relates fundamentally to the ad valorem tax. These people have been wasteful. They have squandered the taxes of the people of Ontario, and that is why they feel there is a need for this kind of

legislation. They wasted the people's money on advertising "Preserve it, conserve it," telling everybody how clean our environment is.

Every time there was a major environment issue in the news, the government hired an actor who claimed to be some kind of environmentalist. They pictured him in a canoe, rowing down a river, saying, "I have travelled the world, and there is no place cleaner than Ontario." One can see right down to the bottom of the lakes that have been killed by acid rain. There are no lakes cleaner.

The government has wasted money in the area of advertising and in just about every department.

Mr. Worton: Including Minaki Lodge.

Mr. Mancini: I could give an hour's speech on Minaki Lodge.

Mr. Piché: Now just a moment. I object to that. You mentioned—

Mr. Mancini: The government has been wasteful with the taxpayers' money. We could take the time of the House—

Is there something wrong with the first clerk?

The Deputy Speaker: No. We were just commenting on interjections. We are having difficulty with the member for Cochrane North (Mr. Piché). We are not sure whether singing is an interjection.

Mr. Mancini: Then call him to order, Mr. Speaker.

We could go on for quite some time outlining the wastefulness and extravagance of this government. We could outline in great detail many of the areas in which the government has been less than prudent with the taxpayers' dollars.

I find the fact that the bill is indexed most offensive. The bill never has to be introduced again.

I assume the people in the back row serving their first term in office came here with some kind of purpose. I assume they came here with the idea they wanted to be involved, to participate in what happens and what emanates—

Mr. Piché: We should be going home on time, and you're just screwing things up.

Mr. Mancini: I say to the member for Cochrane North that we have been elected by our constituents to sit in this chamber and to serve them. We have not been elected to work to some fictitious timetable so we can all go home and have a summer holiday. I go home

and work every weekend in my riding, and it works out just fine. We have been elected to speak, to take part in and to debate—

Mr. Piché: To yak-yak.

Mr. Mancini: That member may call it yak-yak, but it is not. Maybe his contributions are yak-yak, but ours are not yak-yak.

The Deputy Speaker: Order, please.

Mr. Piché: You are making a mockery of the Legislature. Last night it was Sheila, tonight it's you, tomorrow it will be somebody else. I did not come here to listen to that.

Mr. Mancini: Go on home then.

The Deputy Speaker: Order, please. I want to remind the member for Cochrane North that either I can call him to order or he can hang himself. Which would he prefer? I think I would rather call him to order.

Continue, Mr. Mancini.

8:30 p.m.

Mr. Mancini: One assumes these new members of the Conservative Party came here, as I stated earlier, with the idea of taking part, of being at the centre of things, of helping make the decisions. They are all parliamentary assistants. They are all getting that extra \$6,500—

The Deputy Speaker: Now, Mr. Mancini, let us not be provocative. We are trying to carry on nicely.

Interjections.

Mr. Wrye: That is not fair; some of them are whips.

Mr. Mancini: That is right; some of them are whips. This is very important to the point I am trying to make. They came here to be part of the action, so to speak. What is one of the first things they allow their cabinet to do? They allow indexing of taxation on gasoline, with a bill worded in such a way that it never has to be introduced in the chamber again. What kind of Legislature is this when the government can pass laws so it does not have to increase legislation by providing bills to the Legislature for such consent? What kind of Legislature is this? Why does the government continually remove authority and power from the chamber? Why does it continually move that power from the elected officials to the back rooms and to the corridors? How can it do that in good conscience?

We have tried to build up a tradition in this country and this province whereby taxes and tax-related items are introduced into the chamber for approval and then implemented. Why

are we now drifting away from something as fundamentally right and sound as that? Why do the Tories feel they have the divine right to huddle together in the corridors or in the antechamber and to decide how taxes should be raised without proper debate in the House, without proper representation from the members who disagree with their tax policy? How can they justify that to any citizen in this province? Give me one justification for removing that power from this chamber.

All the members are contributing—and the member for Cochrane North is front and centre in this—to making this Legislature more impotent than it already is. We have already passed far too many of our laws by regulation. They are written and prepared by a group of quiet civil servants who work in some ministry buildings. They prepare these regulations, shuffle the papers over to the government ministers, who barely have time to look at them because of their work loads, and then they are passed into law. It is the chamber where the laws are supposed to be made so that they can have the respect of the people they apply to. We are relegated to the back burner.

It is highly distasteful that so many of our laws are made in this regulatory fashion. To try to do the same thing, to try to take away the power of the elected officials on matters such as increasing taxes, is absolutely insupportable, absolutely distasteful. It should not even be contemplated, let alone have a bill introduced in this House and have an arrogant government use its majority to pass it.

I ask the new members, when will we get another opportunity to debate increased gasoline taxes under their bill?

Mr. Boudria: Never again.

Mr. Mancini: Never again. My constituents and the member's constituents duly trudge to the polls on election day to send someone to the Legislative Assembly of Ontario to speak up for them. And the government takes away our rights; it does it without shame. Their reign of power will come to an end, and I will be proud to sit in a Liberal government. It will not take us long. We will put the power back in the chamber—

Hon. Mr. Ashe: Mancini for leader.

Mr. Mancini: Thank you. I am accepting contributions.

Hon. Mr. Ashe: Good. Send around the plate again.

Interjections.

Hon. Mr. Ashe: I have not heard anything new for a long time.

Mr. Mancini: The minister has not heard anything new, eh? He must be the most schooled official ever elected to the assembly. He must be quite bright.

Anyway, Mr. Speaker, I regret deeply, and I say this to you sincerely, that I am losing my right to speak on future tax matters concerning taxes on gasoline. I give up that right grudgingly. I am going to take pride in voting against this bill. I am going to take pride in speaking against it on every opportunity I have here in the chamber, back home in the riding and elsewhere if I have the opportunity.

I hope that some day I will be part of a government that can rescind this bill, because we firmly believe, and I am shocked that the government does not have the same belief, that important matters such as this should be decided by the chamber. The government has its 70 seats. The government whip, the member for Mississauga East (Mr. Gregory), can get all the government's members out. If the government wants a certain—

Mr. Boudria: He can even get five of them to stand up sometimes.

Mr. Mancini: They can get the increase this year as far as gas taxes are concerned. They do not have to index it for all eternity. They do not have to take away the rights of the members. They do not have to make the Legislature impotent. They do not have to go to those lengths. I have sat here and listened to some of their members speak—not very many, mind you—and I honestly cannot figure out the logic, the rationale, the reason—any reason—why we should have an ad valorem tax.

Mr. Boudria: There is none.

Mr. Mancini: Absolutely. The member for Prescott-Russell (Mr. Boudria) has said it beautifully: there is none. With all those highly paid officials whom the government has in its ministries, with all the people they can be in contact with who have tremendous expertise, surely they could show the government how to introduce a budgetary matter that does not involve any indexing, that does not involve removing rights from members of the Legislature, that does not involve making this chamber less important than it should be. I am surprised, really I am.

8:40 p.m.

I can recall when we first assumed our chairs right after the election. I looked across at all the new members in the back row of the Tory party. They were smiling broadly. They had taken

their rightful places in the Legislative Assembly. They were proud, and they deserved to be proud. They had been elected to the assembly. They had gained the confidence of their people for one reason or another.

Yet, in eight or 10 weeks since that proud day, one of the first actions they are taking on behalf of the people they were elected to represent is to make the chamber in which they sit less important, to take away rights—not only ours, but their own as well. They are losing rights from the day this bill gets its proclamation. From that day, they have lost the right to oppose increased taxes on gasoline. I hope the members opposite are proud of that, because I am absolutely sure that an outraged Conservative caucus could have forced the cabinet to reconsider its decision to introduce such offensive legislation.

Mr. Roy: Good point.

Mr. Mancini: They could have done it. I tell the member for Ottawa East (Mr. Roy), they could have done it. The many new members and the ones who were elected only a few years ago, in 1977—the Minister of Revenue (Mr. Ashe) is one of them—could have got together and said: “No. We want our rights to be upheld in the chamber. We can raise taxes, but we want to preserve the strength and the integrity of the chamber and the members and, through them, the people.” But they sit there, they nod and they applaud whenever the honourable whip says to do so, and our powers dissipate.

I was wondering, Mr. Speaker, and I am sure you have wondered about this also, why it is so easy for a government in power to manipulate things. Why do they find it so easy to manipulate things for their own political survival?

Surely people like the member for High Park-Swansea (Mr. Shymko), the member for St. George (Ms. Fish), the member for Sault Ste. Marie (Mr. Ramsay) have enough confidence in themselves and enough faith in the policies they are implementing to be able to return to their constituencies and say: “We have done the following over our last term of office. Yes, we have increased taxes. Yes, we have made moves in this area. Yes, we have increased spending. Yes, in areas we have cut spending.”

Surely they have enough confidence in themselves that they could properly present to their constituents a perspective, of course from their own view, of what they did or did not do in their past term of office.

Why do they feel it is so necessary to introduce backdoor type of tax increases such

as this, where every three months those in the back row of the Conservative Party and their colleagues in the cabinet will increase taxes on the people of Ontario, whether it is a small businessman being crushed by high interest rates, or farmers with the same problem, or a poor working man?

I will give a very good example from my own constituency. The town of Leamington is the largest centre in the eastern part of Essex county. Many of the people who live there go to work in the auto plants in Windsor. It is at least a one-hour drive from Leamington to Windsor. Those people have to drive from Leamington to Windsor and back five days a week. It is not their fault that the industry is located in Windsor. A man has to make a living for himself and his family. He has to use his vehicle. Even if he goes from using a larger vehicle to a smaller vehicle, with the way the prices are going whatever he saved initially will be eroded later on.

The government is taxing that working man unfairly. They are doing it in such a way that members in the Legislature like myself who wish to object will lose their right to object within a few days. That is what they are doing. That is what those people are doing.

All the reformers in the Conservative caucus who rushed to get here, who could not wait to get through the front doors of this Legislative Building at Queen's Park to assume their seats in this chamber, can be proud and can remember as time goes on that one of the first major bills they supported was a bill to reduce the rights and privileges of all members. I hope they are proud of that.

Mr. Wrye: Mr. Speaker, I want to say a few words of condemnation of this really shameful piece of legislation as my contribution to the discussions we have had on this gasoline tax.

I want to open by saying that I find myself rather depressed, because I recognize the inevitable. I recognize that there are 70 votes opposite, and there are some 55 on this side, and ultimately the tax will go through, and this will be the last we will hear of it.

As we wake up on the morning of July 1, ready to wish Canada a happy birthday—I guess it will be 114—we will wake up with a gas increase. It will be a gas increase brought on by this government, and the taxpayers will not even notice it. They will say: "Well, I guess they got another increase in Alberta. I guess the sheikhs from one of the Arab states have increased the OPEC price."

Little will they know that it will be the Premier (Mr. Davis) and the government of Ontario gouging the taxpayers of Ontario, gouging the taxpayers of Windsor, those of Brantford and those of eastern Metropolitan Toronto, just east of where I reside from Monday to Friday, out there in St. George. Little will they know it is this government gouging the taxpayers of eastern Ontario out in Leeds and Grenville, gouging them just a little more.

I want to open with some comments that I read in the little background piece that we get weekly. I thought the quote of the week from the week of June 1 was rather appropriate, coming as soon as it did after the budget. This quote was from the deputy reeve of Innisfil township who was discussing a 19.45 per cent increase in school taxes. They are real pikers out there; we should be so lucky here at Queen's Park to pass an increase of less than 20 per cent. We got a lot more than that on this gas tax—a lot more than 20 per cent. But this deputy reeve said: "I am sure you can push the taxpayers only so far before they revolt."

I suggest in all humility that revolt is some four years away. Four years from now the voters are going to remember this. They are going to remember this as part of the most disgraceful budget ever visited upon the people of Ontario. It is disgraceful because it is so deceitful.

8:50 p.m.

I am truly struck by this document, the big lie that began on February 2, when the Premier said, in calling the election, "We seek a fresh mandate to preserve"—preserve and conserve; they really used this stuff—"enhance and increase the overwhelming promise of Ontario and her people." Keep the promise!

Mr. Boudria: Did you say promise? He used that word a lot too.

Mr. Wrye: Absolutely. "Based on our past performance"—that is the one budget where they did not increase taxes, but they were already planning—"as well as clearly outlined plans for the future"—I am sure they were clearly outlined; we just would not hear about them on March 19. We would have to wait till two months later.

I went down a few paragraphs, and it said—it has on the left, "Less inflation." I like that. "To combat inflation through smaller and more efficient government, avoiding tax increases and supporting those on fixed incomes, particularly our senior citizens." Well, our senior

citizens really got protected on May 19. They got protected all right, unless they drive. But if they drive, and most of them still do, where was this government to protect them?

As I begin my remarks, I want to compare the government's response to this bill and another one of the tax-grabbing goodies introduced by this majority government. I hope the voters of Ontario will remember this four years hence—this majority government. If the opposition had the votes, whenever this comes to a vote, to keep this government honest, then there would be no shameless grab for cash such as occurred on May 19. The government would not have had the guts to introduce this travesty in blue if it knew it would have to put it up to the votes of the combined opposition. There would be no ad valorem gas tax, no regular three-month ripoff.

One of the ironies of this whole budget, especially the ad valorem gas tax, it strikes me, is that May 19 came just two months to the day after the voters of Ontario, at least 44 per cent of them, gave the Conservatives a majority. The reality of March 19 is that 56 per cent of the people said no to the Tories, even to the con job they perpetrated for a month and a half. They said there would be no tax increases—and there were no tax increases until May 19; then we sure got them. At least 44 per cent of the people said: "Okay, boys, we will give you four more years. You have had 38 years to keep the promise; so we will give you four more. We will give Davis one more try." Boy, are they sorry now.

During the 44 days of this election campaign we heard about many things. We did not hear about anything we eventually got on May 19, but we heard about the Board of Industrial Leadership and Development, keeping the promise and la-di-da; the singers were in place, and it was great stuff. We heard the Premier of this province, right in this building, tell the voters at the outset of the campaign, "We seek a mandate to combat inflation through smaller and more efficient government, avoiding tax increases and supporting those on fixed incomes." That is great.

Two months to the day after the glow of March 19, the voters got the reality of May 19 with the budget, and with the budget the ad valorem gas tax that will raise, by the Treasurer's (Mr. F. S. Miller) own estimates, more than \$100 million in desperately needed cash. We did not hear on March 19 and during the campaign just how desperately this government needed the cash, just how desperate was the plight of the—

Interjection.

Mr. Wrye: I suppose we did hear it; we heard it from this party—that the reality of Ontario was that the economy was in a mess—but we did not hear that from the government, not until May 19, and then we heard it in spades. We heard it in OHIP increases, in personal income tax increases, and particularly in the ad valorem gas tax increase. After all, when the economy is stagnating as badly as this one is, when it is last in just about every measure of economic growth, desperate actions are needed to keep the province's financing above water or even close to the waterline.

It is not \$1 billion below; it is only \$997 million. I like that. They played with \$3 million and managed to keep the proposed deficit under \$1 billion. That is how it is with this disgraceful raid on the pocketbooks of the people of Ontario.

I would like to share with the members one of the real hypocrisies of this increase, one which the members opposite have trotted out as they attempt to justify this profiteering, this gouging of the taxpayers. The government has suggested that every other province has an ad valorem gas tax; that is what it suggested—every other province except Nova Scotia. What is really happening in Ontario is simply joining with everyone else and somehow that makes it right.

At the same time I might remind the members on the other side of the House—I see the Minister of Health (Mr. Timbrell) is here and he will remember—that just two other provinces have health insurance premiums, which leaves seven others that do not. To follow the logic of the Tories, and I suppose I would vote for the ad valorem gas tax, let us just rid ourselves of OHIP premiums. They are so desperate for cash they will take money from any source. They want to be one of nine, but they also want to be one of three.

I have heard it before so many times in this session but, Mr. Speaker, let me suggest it once more for the members opposite and especially for the member for Brantford (Mr. Gillies). One cannot have it both ways. One cannot say, "We are going to be one of nine and that is okay," and then whisper, "Oh, yes, we want to be one of three on OHIP." There is no other proof needed as to how bad things have become in Ontario. We have not even debated the personal income tax increase yet. That is up 10 per cent at 48 per cent.

Mr. Gillies: Let's start on that point.

Mr. Wrye: We will get to it.

Mr. Gillies: When?

Mr. Wrye: Eventually; in the fullness of time.

When I was rereading the Treasurer's remarks in proposing this tax on budget night I was struck by how he also managed to slide one by the overburdened taxpayer even as he introduced the tax. He proposed the tax increase on gasoline.

Let me just quote from the budget on page 20 when he says: "Revenues from fuel, tobacco and beverage alcohol: I spoke earlier about my general concern with the diminished responsiveness of the revenue system." That means things are going so badly they are not collecting any money.

Mr. Boudria: Is this the same government that was talking to us before?

Mr. Wrye: Oh yes: "Keep the promise. Davis can do it. Things are great. We are just steaming ahead here in Ontario." But on budget night the Treasurer referred to "my general concern with the diminished responsiveness of the revenue system." Is that not a great way to say the economy is stagnating? I really like that. I wish the Treasurer were here. We had to listen to this awful budget on May 19 and he should be listening to our response.

"Consequently," he went on, "I am proposing that the tax rates on gasoline, diesel fuel, railway diesel fuel, aviation fuel, on cigarettes and cut tobacco"—I would have said this just on the ad valorem gas tax but they are all thrown in so I have to read it all—"and on domestic beer"—shame, the people of Windsor will not forgive him for that—"be converted from their current volume basis to an ad valorem basis.

"At the same time, I am proposing the following specific tax increases: First, that the new ad valorem gas rate on gasoline be set to incorporate an average increase of about one cent per litre and the new tax rate on diesel fuel be set to impose a 1.1 cent per litre increase."

What the Treasurer and his cabinet colleagues tried to do was to slip one by the poor, unsuspecting voter when he was not looking, while he was bemoaning the budget and trying to figure out what ad valorem means in the first place. Why was the government not just honest about it?

9 p.m.

Mr. Boudria: They should just say outright they are going to gouge the taxpayer; then everybody would know.

Mr. Wrye: That's right. That is what ad valorem really means. It means "gouge."

While he was bemoaning this built-in, add-on increase in the tax by switching to the ad

valorem basis, the sly old Treasurer was slipping them a fast one. He was slipping them an increase even as he proposed this sleight of hand. This is the incredible thing about this bill. It is just absolutely shameless. It is quite an unprecedented raid on the wallets of the people.

I want to say a few words about the speech by the member for Essex South (Mr. Mancini)—and I wish he were here to hear what I am saying. I was struck because I had not heard this angle from our side and I think he is so correct. This is the first and really the last time we are going to be able to talk about the gas tax increase. On July 1 it will go up; on October 1 it will go up; on January 1—

Hon. Mr. Ashe: The same thing over and over again.

Mr. Wrye: The Minister of Revenue in the good old days, if he wanted some money, had to come to the House and ask for it. Now with the majority he does not want to have to ask any more; he just wants to take every three months.

Interjections.

Mr. Boudria: You were being provoked.

Mr. Wrye: That's right. The taxpayers of Ontario got provoked on May 19 too and they won't soon forget it.

I want to take a minute to talk about the size of the increases because they are really quite remarkable. All of this occurs in the face of an increase in the rate of personal income tax from 44 per cent of federal tax payable to 48 per cent. It occurs in the face of a 15 per cent increase in Ontario health insurance plan premiums, raising the cost of OHIP—already the highest in Canada, in this province of opportunity—to \$23 a month for a single person and \$46 a month for a family.

I should not forget to mention the increases in liquor, the increases in tobacco, even the increase in the tax on those betting on triactors. The government did not miss a bet; the government leaves no stone unturned in its unquenchable thirst to fleece the poor unsuspecting taxpayers. They got everybody that night.

So in the face of all of this, we got the advent of the ad valorem. I don't remember hearing the phrase "ad valorem" during the campaign. Would that have rhymed with "Keep the promise"?

Mr. Boudria: I don't think so.

Mr. Wrye: Does it rhyme in French?

Mr. Boudria: No.

Mr. Wrye: My Tory opponent never mentioned an ad valorem gas tax once while he was talking about the Board of Industrial Leadership and Development and all those things. I think the voters would have preferred to hear about the reality rather than the nonsense that was in that BILD document, a great document written by a number of speechwriters. It certainly did not have any basis in fact. I guess we did not hear of ad valorem because it does not rhyme with "Keep the promise." It does not even rhyme with "Davis can do it." I guess that is why we did not hear about it. How unfortunate.

Here we are at the moment of birth of the ad valorem gas tax, a tax that will find a new, higher level every three months. I am waiting for the first time it goes down. That will be quite an occasion. It starts, appropriately enough, on Canada Day. Imagine, they are ripping off the consumers on their birthday. "Happy birthday, Ontario," and whack, in come the pickpockets from Queen's Park to dip into the wallets again. It is just incredible.

I have been struck by the fact that we have not talked much about this. I think the government was slipping a fast one by us. It is bad enough to have an ad valorem tax, but at the moment of birth there was also an insidious increase. In setting the ad valorem rate at 20 per cent of the taxable price per litre of gasoline, the Treasurer slipped a nice increase into what had been the previous share of gas prices being sent special delivery to his vaults.

Let me explain: Before the realities of May 19, if one purchased a litre of leaded gas, a litre of regular unleaded gas or even a litre of premium unleaded gas, Ontario's piece of the tax pie was 4.6 cents. Members should remember that price. It is 4.6 cents. It is going to be, "Now you see it, now you don't," or, "Now you see a whole lot more." On May 19 they did a quick shuffle, a little sleight of hand, because they had to do something to get the ad valorem ball rolling. On May 19, they did this quick sleight of hand. I see the Premier has arrived. Perhaps he did not notice this on May 19, but I am sure he did.

For the veritable handful of voters still filling up with leaded gasoline, the increase was to 5.4 cents a litre. This is what he set it at. It was 4.6 cents on May 18. I believe it came in on May 20, so if one rushed out after the budget on the night of May 19, one would have paid a tax of 4.6 cents per litre for regular leaded gasoline; the next morning when we woke up, it was 5.4 cents a

litre. That is not too bad; that is a meagre little increase of 17.4 per cent, but that is even before ad valorem comes in. It is only 17.4 per cent.

They did better than that. Of course, the members opposite all drive new cars. We in Windsor hope a lot of people will drive new cars. We are hoping they will buy North American cars. I say that to the member for Brantford.

Mr. Boudria: Did he buy a North American car?

Mr. Wrye: Ask him what kind of car he drives.

Mr. Boudria: Did you buy a North American car?

Mr. Gillies: I don't remember, but it is very fuel-efficient.

Mr. Wrye: We want to keep Ontario clean. Unfortunately the Minister of the Environment (Mr. Norton) is not here, but I am sure he would support it if he were.

For those who drive the new cars that burn only unleaded fuel, the increase was from 4.6 cents a litre to 5.8 cents. That is not 17.4 per cent, no siree; that is 26.1 per cent. That is not bad. That is better than the nine per cent the universities of Ontario got and it is even better than the 15 per cent the medical profession received.

Hon. Mr. Davis: It was 14.75 per cent.

Mr. Wrye: I stand corrected by the minister who says it is not 15 per cent, just 14.75.

For those poor souls—and I do mean poor, after they pay the ad valorem tax—who happen to fill up with premium unleaded or premium leaded gasoline, the price went to six cents a litre, a whopping increase of 30.4 per cent in the provincial take of every gallon of premium leaded and unleaded gasoline.

9:10 p.m.

As we found out, that is what the reality of March 19 really was. It was an unprecedented raid on the pocketbooks of the people of Ontario. Worse, as the member for Essex South has pointed out, it is a raid that we will not even be able to debate again, because every three months, four times a year, the price will go up. We will not be able to oppose it; we will not be able to object to it; we will not be able to vote for or against it. I am sure the members opposite—perhaps we ought to talk about this just for a minute—

Mr. Boudria: Go ahead. Talk about it.

Mr. Wrye: Thank you. In voting for the ad valorem gas tax, members are voting for a tax on July 1; on October 1, 1981; on January 1, 1982; on April 1, 1982, and on and on and on. I think we should remind the taxpayers of Ontario every three months that the previous night at midnight, the Legislature, or the ghosts thereof, just voted another tax increase, because that is in reality what is going to happen.

What really makes this hypocritical and what is really shameful about this is that this is not what we were promised.

Mr. Boudria: What were we promised?

Mr. Wrye: Well, here is the Financial Post of March 14, 1981: "Where they stand on the big issues." It has the Premier, it has our leader (Mr. Smith)—the next Premier—and it has the outgoing leader of the third party (Mr. Cassidy), the diminishing third party.

Hon. Mr. Davis: They are diminishing because the Liberals are apparently going to augment them.

Mr. Wrye: Well, they are diminishing because they are so ineffectual. They do not even oppose this increase. When was the last time they spoke on this increase? Do they even care about the working men and women of Ontario? We know those members opposite do not care.

Interjections.

Mr. Wrye: There will not be an NDP after the next election, so we will not—

Interjections.

Mr. Wrye: No, they will be gone. Maybe two or three will be left, but—

Hon. Mr. Davis: After Kingston the Liberals are on their way out.

Mr. Wrye: After Kingston—that is right; we started on the road to power on May 19.

Mr. Speaker: Let us get back to Bill 72.

Interjection.

Mr. Wrye: No, May 19, because that was the day of the budget and this ad valorem gas tax, Mr. Speaker, which is what we are talking about—Bill 72, right? I want to talk about this document.

Under fiscal policy the Financial Post asked, "What specific tax changes, increases or decreases, would you make?" Here is the program of the Progressive Conservatives with the picture of—who is that? That is the Premier. This is his program:

"Future tax changes must take into account the financing needs of the government,"—boy,

we should have caught on when they used that line—"the economic situation, our competitive position and the taxpayers' ability to pay." I guess they figured they have a kind of bottomless pit of money.

"The 1980 Ontario budget did not increase taxes." Well, they certainly made up for lost time, did they not? "There have been no major increases in provincial income taxes"—we got that one two months later—"and retail sales taxes for several years." If I read the Treasurer's statement properly we will get that next year.

"Given the current economic situation and the impact of inflation on the consumer, tax increases must be avoided to the maximum extent possible in the near future." Right.

An hon. member: Very near future.

Mr. Wrye: Very, very near future. That is what he said on March 14.

We could go back, I suppose, even further to the days when the member for Prince Edward-Lennox (Mr. J. A. Taylor) was the Minister of Energy. He would be embarrassed by all this. He may join us, because this really sells out his position, does it not? This is not what the member was saying when he was Minister of Energy. This was Friday, April 1, 1977. This is kind of an April Fool's joke that comes to pass four years later. On Friday, April 1, 1977, at the energy ministers' conference in Ottawa, the then Minister of Energy said, "We are opposed to any increase in the price of oil and natural gas."

Hon. Mr. Sterling: We have heard this.

Mr. Wrye: I did not hear it. The minister is not paying any attention to it. The member for Ottawa East (Mr. Roy) did not hear it last night. He could not make it last night so now he wants to hear it.

"We are opposed because the stated objective of this annual escalation"—these guys do not fool around; they have got it four times a year—"that of ensuring supply"—the only supply they want to ensure is the supply of money—"through expanded exploration and development has not been met. We are opposed because it will create further unemployment; we are opposed because it further fuels inflation."

How times change; that was four years ago: "It creates further unemployment and fuels inflation." I guess they were dealing with a new set of economists four years later. "The public is fed up, and rightly so." They sure are after May 19. They are certainly fed up. "The public is

prepared to make sacrifices but only if those sacrifices deliver results." The only results we got on May 19 were to keep the deficit out of the \$1.6-billion range to try to save face for the Treasurer. That is all we got on May 19. They raise \$603 million and with that money they do not propose one new program, not one. There are so many.

I realize what the member for Carleton-Grenville (Mr. Sterling), the Minister without Portfolio, says. I do not want him to have to listen time and again to what the government used to say when it was in a minority situation.

Hon. Mr. Sterling: On a point of privilege, Mr. Speaker: I do not mind listening to anything that is new and different. I just do not want to hear the same passages repeated and repeated and read over and over again into the record of the Legislative Assembly because I think it is a waste of time.

Hon. Mr. Timbrell: Mr. Speaker, with respect I rise to speak to the same point. I direct your attention to the standing orders of this assembly, page four, rule 19(d)(3), where it states, "In debate, a member shall be called to order by the Speaker if he persists in needless repetition or raises matters that have been decided during the current session." Mr. Speaker, I submit to you we have been subjected to a great deal of that this evening and the member should be called to order.

Mr. Roy: Speaking to that point, Mr. Speaker, if you were to enforce that rule strictly you would mute all the cabinet ministers because they repeat all the time during the session anyway.

Mr. Epp: Mr. Speaker, I recall the Minister of Health saying the same thing over and over. During the question and answer period he was repeating himself two and three times. He never cited the rules of order at that time, when he should have.

Mr. Speaker: Mr. Wrye, will you please proceed? Confine your remarks to Bill 72.

Mr. Wrye: Absolutely, Mr. Speaker. There is so much to say about Bill 72. I know the member for Ottawa East has an eastern perspective he wishes to bring to this debate. I propose to let him do so because from Windsor to Ottawa, and at all points in between, everyone is opposed to this. They are absolutely opposed to it. I bet the people from Wentworth, Brantford and Cambridge oppose it. How many letters has the

government had in support of the ad valorem? When are the government members going to speak in favour?

Interjection.

Mr. Wrye: None is; that is right. When are they going to speak in favour of it? I want to hear it.

9:20 p.m.

Interjections.

Mr. Wrye: Anyway, I want to return to the bill, Mr. Speaker. On August 25, 1978, in this "For immediate release" from the Ministry of Energy—

Mr. Boudria: Who was the minister then?

Mr. Wrye: James Auld, a new minister but the same old song. Just one sentence; it was too bad they did not see this when they were writing the budget. Talk about a flip-flop; the guys opposite invented it.

Interjections.

Mr. Wrye: As a former municipal politician, I am ashamed of their flip-flop. Talk about a flip-flop.

Mr. Speaker: Order. Proceed, Mr. Wrye.

Mr. Wrye: Ontario views crude oil and natural gas price increases unrelated to improving Canada's security of supply as inflationary, a deterrent to job creation and a further factor in harming Canada's industrial competitiveness." That was August 25, 1978. Rest in peace, because it sure changed on May 19, 1981.

Interjections.

Mr. Wrye: He said it. I suppose I should, for the sake of brevity, leap ahead to September 15, 1979. I will just give one for each year, because I want to show the government that it was consistent for a while. It was consistent as long as it was in a minority situation, a tenuous connection. It was consistent in 1977 when it was a minority, in 1978 when it was a minority, in 1979 when it was a minority and in 1980 when it was a minority. Yet in 1981—

Mr. Speaker: Mr. Wrye, will you address your remarks to the bill, please.

Mr. Wrye: Fine, Mr. Speaker. The Premier was speaking to the Ontario Progressive Conservative Campus Association on September 15, 1979, and I am sure it was a fine speech. I would just like to read a short excerpt from it. This is what he said: "We also took the view that to have a price increase which generated the kind of cash for the government of Canada, the foreign oil companies and the government of

Alberta which they could not possibly reinvest quickly enough to solve energy security problems, would be a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province and of Canada as a whole."

I can paraphrase it and talk about the price increase which generates the kind of cash for the government of Canada, the foreign oil companies, the government of Alberta—and now we will include the government of Ontario—being a mistake and a distortion and a clear raid upon the spending power of the average citizen of this province. I think that says volumes. I do not think we need to say more about that speech, because the Premier has been very clear. Such unjustifiable increases are a clear raid upon the spending power of the people of my riding of Windsor-Sandwich. The constituents of the members opposite must be very rich indeed, but I suspect they are not. I suspect they are still in shock.

So we move ahead to October 31, 1980. That was one night after the Premier of Alberta rewrote history a little bit in announcing his response to a number of matters proposed by the government of Canada in a very excellent budget. He cut back oil, and this is Ontario's response to the statement of the Premier of Alberta: "The impact of last night's statement is economic. It imparts an extra financial burden upon an already tight national economy. This burden is not being imposed on Canadians by any foreign power, or by any international collapse, but by a Canadian provincial government. It is both sad and of deep concern that one provincial government presiding over the most rapidly expanding economy in the country should respond to a continued and prolonged disagreement by imposing deep economic penalties on the working men and women, the pensioners, the businessmen and the people of Canada."

I submit that is exactly what this government did on May 19, 1981, in its budget. This view is very widely shared. If they do not believe it, we could have another election. We could have one right now. We will go and get our signs and put them up, and let us see what happens. I think I would be back here, but I would be over there; I would not be here any longer. They would be lucky to be the official opposition.

Mr. Speaker: Bill 72 please.

Mr. Wrye: On bill 72, I would just like to comment from—

Interjections.

Mr. Speaker: We are debating Bill 72. You can ask your colleagues to co-operate.

Mr. Wrye: I would just like to read the comments, very briefly, of the Toronto Globe and Mail, on May 21, 1981. I think it captured a lot of the real shame of this budget. It said, "The Ontario budget totally undermines Premier William Davis's long-proclaimed program against rising prices for domestic oil." It does not undermine it, it kills it. How can he go with a straight face to Alberta and say, "Horrors, horrors, you have increased the price again." Alberta will say, "Hold your price increases down."

Hon. Mr. Sterling: Just follow Pierre's example. Forty cents a gallon now.

Mr. Wrye: Forty cents a gallon? How about a litre?

It puts the Premier on the side of rising prices. If you cannot beat them, join them. Every time the price rises, for whatever reason, his government will collect increased revenue, and it will do so without so much as the outward acquiescence of this Legislature.

The Globe and Mail also said in that same editorial, "Alberta and Ottawa will get all the blame for oil price increases." I can just hear it now; I can just hear, "The feds have done it again." We have heard that that all session. The Globe and Mail goes on, "Ontario will quietly collect an amount equal to 20 per cent of everything they are blamed for." So I can hear the Premier now saying what an awful thing it is for the federal government to have done, or what an awful thing it is for Alberta to have done, or what an awful thing it is for some foreign government to have done, while his Treasurer rushes up to his adding machine to find out how many more dollars are going to come into the desperately short Ontario coffers.

Here is David Crane, writing in the Toronto Star on the same date—I guess the reason for May 21 is that it took the editorial writers and the commentators a day to recover from the shock of this budget; I do not think the taxpayers have recovered yet: "Frank Miller has found a new way to profit from inflation. With oil prices slated to at least double over the next five years, Miller must have found the prospect of soaring tax revenues irresistible. Move over Sheikh Lougheed; make way for Sheikh Miller. Ontario may not have any oil, but it does have the power to tax."

9:30 p.m.

I want to put on the record a part of this letter from the Guelph District Labour Council, city of Guelph. I think it speaks a lot for the

concerns expressed by working men and women. It says: "This letter follows a resolution passed at the June 11, 1981, meeting of the Guelph and District Labour Council protesting the proposed Ontario budget and calling upon you to oppose its acceptance."

They are calling on us to oppose its acceptance, not just to stand idly by and say, "We will give you your increases; we will give you OHIP; we will give you ad valorem; we will give you personal income tax; we will roll over and play dead." I don't think we ought to have to. This would not have happened with a minority government, but with a majority they think they can steamroller us.

This budget is a callous attack on working people and a bonanza for the corporations, which I notice they did not tax. In all these tax increases there was not one for the corporations. Well, they are not listening. They do not care any more. They will only care four years from now, and then things will change.

Workers' incomes have been steadily eroded by inflation since 1975. The nine per cent increase in personal income tax proposed in the budget constitutes a further cut in the take-home pay of workers this year. Instead of eliminating OHIP payments as in most other provinces, the government plans to increase this discriminatory tax. Increasing the tax on gas and diesel fuel and tying it to the escalating prices of these commodities will also hit workers and the poor the hardest, while still contributing to even higher inflation as corporations pass on higher costs through increased prices.

It is the corporations that will suffer the least; it is the working men and women, the poor, the seniors who will suffer the most. It will unfairly hit the small businessmen who are struggling to survive with a government that just ignores their plight and stands up and votes against any interest rate help. They say: "Oh, that is a federal fault too; that is the feds' fault, we can't help." The Minister of Housing says he cannot help with any mortgage assistance. Seven other provinces have, but unlike the ad valorem tax, in this one Ontario cannot join them.

Finally, I would just like to read a brief excerpt from an incredible document that the Treasurer of Ontario read and delivered to the Men's Canadian Club of Ottawa. I remember the member for Ottawa East could not believe it either, so I got a copy of this speech and I read through it. This was delivered about two weeks ago tomorrow, on Wednesday, June 10.

After all this, after the Conservatives

themselves—minister after minister; the first minister, the Minister of Energy (Mr. Welch), all the various ministers—warned time and again against profiteering from inflation through these kinds of gas increases and then did it themselves, the Treasurer says on page three—for those members, the ladies and gentlemen in the back row, who may like at least to find out what the Treasurer is saying—he says:

"We have been accused of cashing in on oil price increases because, under our new indexed system"—well, at least he did not call it ad valorem—"we will benefit from price increases for oil. Quite simply, the cost of government justifies an increase, and with inflation, unit prices were not working well." Well, isn't that too bad? If the government had any guts it would have brought in its increase, it would have defended it, and if it needed another increase next year it should have had the guts to bring one in next year and defend it, and the year after that and the year after that. He says, "with inflation, unit prices were not working well."

Then he added a line that would just double up with laughter the working people of my riding and the working men and women of Ontario; it would double them up with laughter if the pain was not so great. He said, "I can also say with absolute certainty that it is a tax measure that is fair, reasonable and will be seen to benefit the economy beyond the simple raising of revenue for the province." How, I might add, will it benefit the economy? Is there one member in the back row who will have the guts to stand up and defend it and tell us how it will benefit the economy; just one who has the nerve? Somebody should prepare a speech for them to defend it. The Minister of Industry and Tourism (Mr. Grossman) has gone to the back row to defend it for them.

I wish to defer now to the member for Ottawa East, who I am sure has some excellent remarks to make. I just want to say in closing that I find this increase particularly reprehensible. It is probably the most disgraceful part of a budget that just absolutely shames this government. I want to say to it, with respect, that the people of Ontario will remember this four years from now. The government may think it can bring in a huge increase this year, another one next year, kind of slow it down in 1983, and then dole out the goodies in 1984. But next time we are going to take this document to the people of Ontario and ask them, "Remember how they kept the promise?"

We will detail for them what the ad valorem gas tax will be in 1985. It will not be 5.4 cents a litre, it will not be 5.8 and it will not be six. It will be 10, 11, 12 or 13. The people of Ontario and the members of this Legislature will not have had one opportunity to say yea or nay in the four intervening years. If we move over there, and I expect we will after 1985, the ad valorem gas tax will go. When we go over there, it is going to go too.

Mr. Roy: Mr. Speaker, you know of my natural reluctance to participate in the debate of such legislation, especially after having listened to the very worthwhile contributions of all my colleagues. My own limited contribution would not be necessary in this debate, but I want to say that the people of Ottawa East, who sent me to this place again on March 19, 1981, in an overwhelming fashion, would not forgive me if I did not make some contribution and register my opposition to such a cynical, hypocritical and—how should I say?—gouging type of legislation that is being put forward by the government. So I think I should make a few limited remarks about why the people of Ottawa East and their member are opposed to Bill 72.

The Minister of Revenue (Mr. Ashe) has the unfortunate task of having to sit day in and day out and listen to and accept the slings and arrows of the opposition on this legislation. Yet I suppose it is the role of that minister, although he has nothing to do with setting the policy. He is the one who has to sit here day in and day out in frustration, obviously, and listen to the opposition to the bill. In some ways it is patently unfair. I have seen this situation time and time again involving other legislation over the past 10 years.

9:40 p.m.

I must say to my colleague the member for Durham West (Mr. Ashe), I have seen the frustrations of other Ministers of Revenue sitting here during other difficult legislation, so I say to him the precedent set by some of his colleagues in the past should be good experience for him. This will be good experience for him; it will give him some idea of the glamour of the job of Minister of Revenue, sitting here defending legislation which he had no part in establishing, in all likelihood. As far as the policy is concerned, it emanates from another ministry.

Nevertheless, we were fortunate in this evening's debate to have the presence of the Premier (Mr. Davis) on and off. I would have

thought it would be interesting for the Premier possibly to participate in the debate. He could tell us why it was necessary to bring forward this type of legislation at this time. He could tell us why he did not level with the people of Ontario prior to the election, instead of telling them he was against tax increases, something many of my colleagues have already put on the record. He could tell us why he would tell them prior to the election that he was against such tax increases, and soon after the election would bring forward such cynical legislation.

It would have been interesting to hear the Treasurer (Mr. F. S. Miller) or the Premier raise what one of my colleagues raised here this evening. The member for Essex South (Mr. Mancini) raised a worthwhile and effective argument, I thought, when he said this legislation undermines the democratic process and seriously undermines the principle we have always accepted that there should be no taxation without some form of representation.

Even my colleague from the left-wing party of that side, who has joined us now, would agree with me that by accepting this legislation now, the people of Ontario will never have another opportunity to oppose a gasoline tax, because from now on, once this legislation is accepted, the executive branch of government can alter the price of gasoline by way of regulation every three months. It increases the tax to the people of Ontario and the Legislative Assembly will have no input whatever in that process.

It is small wonder my colleagues and I are taking the time it has taken to get through this bill. It is the only opportunity we have, and frankly, if we were to do justice to the legislation, we should probably keep these people here all summer and all fall because we will never have another opportunity to register our opposition to taxation.

Day in and day out my colleagues and I have opposed this legislation. In the process of opposing this legislation, we have heard member after member on that side of the House make comments. We have seen the new crop of members who have come in since March 19, what they call the new bright lights, the new blood of the Conservative Party. I ask my colleagues here, has any one of the new members stood up and opposed this legislation?

Some hon. members: Not one.

Mr. Roy: Has any new member on that side stood up and supported this legislation?

Some hon. members: No.

Mr. Roy: They all support it, but has anyone made a speech in support of this legislation?

Some hon. members: No.

Mr. Roy: Not a one? I do not believe it. Sometimes I cannot be here; I spend some time in my riding. I often get abused for that. One of the reasons I spend a lot of time in my riding is that I like my riding, I like to be there.

The Acting Speaker (Mr. Cousens): Bill 72.

Interjections.

Mr. Roy: That is right. The people of Ottawa East like to see me in the riding.

The Acting Speaker: On the debate, Mr. Roy, Bill 72.

Mr. Roy: So you should know, Mr. Speaker, that when the election rolled around, that is why 70 per cent of the people of Ottawa East voted for me again. They like to see me in the riding.

The Acting Speaker: The second reading of Bill 72.

Mr. Roy: So I come back to this legislation and the muted sounds that we have heard from the other side of the House; not a word from those members. It is so disappointing, because there is a precedent for back-benchers of the government to oppose what they consider to be unjust and unfair legislation.

Do you remember John White's seven per cent energy tax, Mr. Speaker? If you were an active participant in the political process you would recall this. The House leader (Mr. Wells) recalls the situation where his colleague John White imposed a seven per cent energy tax, and when the people of Ontario complained, he said, "Put on a sweater, boys, and turn down the thermostat." Do you remember those comments, Mr. Speaker? The back-benchers of the Conservative Party then showed guts. They opposed it and he backed down.

Interjections.

Mr. Roy: That is right. They'd guts in those days.

I look at this whole new crop. They are all hustlers, all of them. They all want to get into the cabinet. They are all bright lights. All of them received the sacred trust of the people in their ridings on March 19, yet what have they done? They have not opposed this legislation. In fact, they have not publicly supported the legislation. They have sat there muted, they have made faces, they have been cynical, they have made comments to my colleagues—

An hon. member: They stuck up their hands.

Mr. Roy: That is right. They made all sorts of

gestures, they made cynical comments throughout; but not one of them had the guts to get up and represent the people of his or her riding. It is a shameful performance. If this is a precedent for what we can expect from the back-benchers in the Conservative Party for the next four years, then the Premier has himself a fair crop of trained seals.

Because there are some 70 ridings whose representatives do not say one word in opposition to this very regressive legislation, we in the Liberal Party must let the people of Ontario know that there must be a mouthpiece for the people who are opposed to this legislation. That is the job we are doing now, and that is the job we shall continue doing when the government brings forward this type of legislation.

Some of us in our remarks keep mentioning the words "hypocritical," "cynical," "underhanded," "arrogant," and so on and so on and so on. Many of us have heard the comments of the Premier and a series of Ministers of Energy, and my colleagues have on different occasions recalled the statements of those different Ministers of Energy. I will not bore you, Mr. Speaker, and repeat some of the comments made by various Ministers of Energy. As embarrassing as it might be to the people on the other side of the House, I will not do it. I have just a few comments here and there, but I will not read whole speeches. I should, really—

Some hon. members: Do it.

9:50 p.m.

Mr. Roy: Even though my colleagues are vigorously and enthusiastically egging me on, I will not do it. I suspect the reason the Premier is quietly floating around this place is that he is expecting a vote here this evening. Nevertheless, if we use the word "cynical" it will be understood it is difficult for us to accept this legislation, when in 1980 the Premier, in one of the many speeches he made—and I am sure the Minister of Revenue has heard it all before; he should hear it again—

There is the Premier. Good evening, Mr. Premier. I am reading one of his old speeches, something I do not spend much time doing, but tonight I will do it—

Hon. Mr. Davis: That's where you made your mistake. You should have read them five years earlier.

Mr. Roy: I should have read it earlier and I would still be crying. Let me read it now. It is embarrassing enough.

This is from an address by the Premier of

Ontario to the annual meeting of the Ontario Municipal Electric Association, an association of municipal electric utilities, at the Royal York, March 4—

Hon. Mr. Davis: All the Liberals in that association voted for us. They would all vote for us tomorrow.

Mr. Roy: Yes, I would like to see them vote now.

I will not read the opening remarks. The competition he is giving to Johnny Carson and Bob Hope we do not need. Immediately I jump to page eight. He said, "Our broad policy purpose will not change. It was and is a three-pronged objective of adequate and secure supplies at a reasonable price. We did not compromise our position with the Clark government, and it would be an error to assume that we will compromise it with the new government of Mr. Trudeau."

There the Premier was being tough. Those were the days when we really believed the Premier was serious about curbing inflation and stopping this gouging.

Hon. Mr. Davis: Those were the days when the Liberal Party was committed to world price.

Mr. Roy: Not at all. Let us read his speeches. There was enough distortion during the election.

Hon. Mr. Davis: What you couldn't stand was the truth.

Mr. Roy: The truth, yes. Let us go on. The Premier said: "To compromise on that policy would be to compromise the future of the people of Ontario." And to be absolutely sure, he ended as he usually does, "That we will never do." Then he went on to say, "I have no doubt that prices will increase, but equally, no one will be left in doubt as to Ontario's position. Price increases without commensurate improvement in supply security and appropriate distribution of oil-related revenues will be opposed."

How does this tax help the supply security of Ontario? How does that price increase jibe with the Premier's promise prior to the election that the government would prevent tax increases? Remember the Premier's speech at that time? It said, "We are against tax increases."

Interjections.

Mr. Roy: Unfair tax increases, then? He did not say that. Maybe I should continue to read his speech. At page 13 he said—

Mr. Bradley: There is the Tory platform there.

Mr. Roy: That is right. It is the Tory platform; it is all there.

He stated at page 13: "We will continue to resist windfall profits for provincial Treasuries and petroleum companies." What is happening now? What they are saying now is, "You fellows are gouging and we are in there gouging with you." That is what he is doing. That is part of the process for the consumers of Ontario.

I have another speech here just in case the Premier's memory was fading. This was a year ago and maybe it is unfair to ask you to be consistent for a year. It is unfair.

Interjections.

The Acting Speaker: Order. The member for Ottawa East has the floor.

Mr. Roy: My colleague the member for Erie (Mr. Haggerty) brought forward a speech from February 2, 1981. That is not very long ago. Although there was an event in between that sort of distorted the picture, in any event let us look at what the Premier said at a press conference in this very building at Queen's Park—right here in this building—three or four months ago. It was just downstairs. He said on page six: "The government has fought hard to protect Ontarians from unfair price increases that would do little to increase supply security, while working on the national scene for a new revenue distribution system that would protect both producing and consuming provinces, while enhancing the national interest."

I ask again, how does this tax give us supply security? How does it benefit what they call the national interest? How does it do that? Do my colleagues understand that? Maybe on that side they do, but we have never heard from them. We thought there was a new crop of young, vigorous, independent types who were elected on March 19. There they are. Even the Tory mascot from Cochrane North (Mr. Piché) back there, who I would have thought would be far more independent, has not said a word.

Give us back the good old days of John Smith. Do members remember John Smith, the back-bencher who opposed that seven per cent—

Interjections.

The Acting Speaker: Order. Order. The member for Ottawa East has the floor.

Mr. Roy: That's right. I say to you, Mr. Speaker, it is somewhat depressing to see this new crowd. There they are sitting back there.

Not a one has moved without a signal from the front bench. They are all looking down there. They are all trying to be good.

The Acting Speaker: Order. The member will get back to Bill 72.

Mr. Roy: Yes, Mr. Speaker, I shall return to it.

Interjections.

The Acting Speaker: Order.

Mr. Roy: From a short perspective of some 10 years, I have watched the developing energy problems. I can recall the Premier under attack by the former leader of the New Democratic Party, Mr. Lewis, and from our former leader, the member for Brant-Oxford-Norfolk (Mr. Nixon). Then there was the change in leadership with our present leader, the member for Hamilton West (Mr. Smith), in consistent opposition to the Premier of Ontario. I say to the Premier, of all the people who should think how cynical this legislation is, a person like Joe Clark would. After all, the opposition of the Ontario Conservative Party to Joe Clark's budget really caused his defeat. The members opposite know that, he knows it, everyone knows it.

10 p.m.

Mr. Speaker: Mr. Roy, can we return to Bill 72, please?

Mr. Roy: I will, Mr. Speaker.

Interjections.

Mr. Roy: Mr. Speaker, we are graced this evening by the presence of the Premier, the real author of Bill 72, and it is important that we have this exchange to know the motivation.

Hon. Mr. Davis: I am here Mondays, Tuesdays, Thursdays and Fridays.

Mr. Speaker: Just address your remarks to the bill, Mr. Roy.

Mr. Roy: I was explaining I like to spend lots of time in my riding. The people love me in the riding. They like to see me in the riding.

Interjections.

Mr. Roy: To any of the members on that side who think it is more profitable to spend more time here than in the riding, I am prepared to compare my majority with any of them at any time.

Mr. Speaker: I do not think that is relevant to Bill 72.

Mr. Roy: Mr. Speaker, you are absolutely right, but you will understand I am being provoked.

Mr. Robinson: I thought they elected you to come here; I guess they elected you to stay home.

Mr. Speaker: Just address your remarks to me, Mr. Roy.

Mr. Roy: I will address my remarks to you and I tell you that I received 70 per cent of the vote in spite—

Mr. Speaker: That has nothing to do with Bill 72.

Mr. Piché: Omer Deslauriers will take care of that next time. Just wait till Omer gets through with you.

Mr. Roy: Mr. Speaker, in spite of the hotshot candidate of the Premier, in spite of Omer—

Mr. Speaker: Let's get back to Bill 72 now.

Interjections.

Mr. Roy: Mr. Speaker, I just want to quote another statement of the Premier in December 1979. I think you should hear this. He is commenting on Joe Clark's budget and he says, "A large increase in the excise tax would be a wilful attack on the individual consumer and general economy of Ontario." Do you believe that, Mr. Speaker? I do not. It must be a misquote.

Interjections.

Mr. Roy: Mr. Speaker, my friends are feeding me. I will never finish before 10:30.

Mr. Speaker: Please try.

Interjections.

Mr. Roy: Mr. Speaker, if I was not quoting from the national newspaper of this country, I would not believe it. I will have to read it again.

Mr. Speaker: You are being repetitious.

Mr. Roy: I hope not, Mr. Speaker. I do not believe this. It says—

Mr. Speaker: I will have to call you to order. Carry on with Bill 72.

Mr. Roy: "A large increase in the excise tax would be a wilful attack on the individual consumer and general economy of Ontario and would not serve to advance energy self-sufficiency." Do you believe that?

Ms. Copps: En française.

Mr. Roy: Mr. Speaker, the member for Hamilton Centre (Ms. Copps) tells me to proceed in French, and I say to her it would be no more believable in French. I would not believe this in French. I do not think this would

be believable in any language. Did the Premier really say that? Poor Joe Clark. It is not fair he should be doing that to Joe Clark.

Mr. Speaker: Let's get back to Bill 72 now.

Hon. Mr. Davis: I never did to my national leader what you did to yours.

Mr. Sweeney: He would still be Prime Minister if it weren't for you.

Interjections.

Mr. Speaker: Order. Mr. Roy has the floor.

Mr. Roy: Mr. Speaker, when we quote previous speeches from the Premier or statistics that undermine the process that has brought forward Bill 72, you should keep things in proper perspective. I have to thank my colleague the member for London Centre (Mr. Peterson) for bringing forward a little quotation. This is again in a national newspaper. It is a quotation from the Premier and it states, "Premier Davis, disputing the findings of a recent Lakehead University study which said that two pulp and paper companies did not need the money given them through federal-provincial aid agreements, said, 'I can get academics'" —

Mr. Speaker: That really has nothing to do with Bill 72.

Mr. Roy: But it is a tremendous quote. Mr. Speaker, you will want to hear this.

Mr. Speaker: I am not sure I do. I want to hear about Bill 72.

Mr. Robinson: Mr. Speaker, on a point of order: It truly strains the bounds of credulity that the honourable member opposite can rise in the face of standing order 19, which deals with reading from documents that have nothing to do with the debate at hand. By his own admission, while it may be a sterling quote, it has absolutely nothing to do with the topic and I would ask that you bring him back to the topic.

Mr. Speaker: That is why he was called to order and that is why he is going to start talking about Bill 72.

Mr. Peterson: Mr. Speaker, I have never yet known my colleague to be out of order in a debate in this House, and I think you owe it to him to hear him through.

Mr. Speaker: With great respect, I have a feeling I have heard that quotation.

Interjections.

Mr. Speaker: Order. Proceed, Mr. Roy.

Mr. Roy: The member for Scarborough-Ellesmere (Mr. Robinson), who so sanctimoniously interrupted my speech—

Mr. Speaker: Let us get back to Bill 72.

Mr. Roy: I say to my colleagues, have you heard him opposing this legislation?

Some hon. members: No.

Mr. Roy: Just to complete the quotation, the Premier said, "I can get academics and get anybody to write a report on anything." He said, "You can get conflicting reports on any point of view." In other words, one can get academics to say anything in reports that conflict on everything.

Mr. Speaker: Now let us get back to Bill 72, Mr. Roy.

Mr. Roy: I have only quoted from statements and speeches of the Premier. After all, it is unfair to ask the Premier to be consistent over a period of about one year or even a period of a few months.

I have here statements by Ministers of Energy. My colleagues have quoted from statements by Ministers of Energy and there have been many Ministers of Energy. There has been McKeough—

Interjections.

Mr. Speaker: Order. Mr. Roy, please come back to Bill 72 and proceed.

10:10 p.m.

Mr. Roy: Yes. Mr. Speaker, my colleagues have quoted from a whole series of Ministers of Energy. One of them I think we should mention.

Interjections.

Mr. Speaker: Order. Let Mr. Roy make his statement. We can all listen very attentively.

Mr. Roy: Mr. Speaker, can you ask the Premier to try to control his mascot back there?

I think it is important to quote from a former very independent-minded Minister of Energy, the member for Prince Edward-Lennox (Mr. J. A. Taylor). "Mugged in the corridors of power," he said. No wonder. So here is what the minister had to say in April 1977 about price increases at that time: "We are opposed because it will create further unemployment when the unemployment rate in Canada is the highest it has been in 20 years with nearly a million Canadians out of work."

Interjections.

Mr. Speaker: Order. Order.

Mr. Roy: He stated, "We are opposed because

it will deal yet another blow to the competitive capability of Canadian industry and world markets at a time when there is little competitive—

Interjections.

Mr. Roy: Let me finish. This is a statement in the House. He said, “Mr. Speaker, any increase in domestic price of oil and natural gas at this time would be gouging the Ontario consumers.”

Then he went on to say, “Ontario believes any national crude oil and natural gas price policy should meet six objectives: First, it should develop additional supplies of crude oil, natural gas and if need be other sources of energy.” There is none of this in Bill 72. “It should protect the competitive position of Canada’s industries”; none of that. “It should strengthen fiscal relationships amongst provinces.” There may be some of that in here; the government is getting some money out of the increase. Then he went on, “It should encourage the creation of new jobs.” Any new jobs here? None at all; none in this bill. “It should alleviate inflation.” The government is benefiting from inflation; that is what it is doing. Finally, “It should be equitable.” How is this equitable?

This was the Minister of Energy at the time laying down these six criteria before there should be an increase in energy prices. This is the process that is taking place now. I could go on and quote successive ministers. But I want to say—

Interjections.

Mr. Roy: I want to say that we on this side, speaker after speaker, have stood here and opposed this legislation at this time because we will not get another opportunity. The government is undermining the legislative process. We will never get another opportunity. It will be done by regulation.

An hon. member: Have the government members spoken in favour of it or against it?

Mr. Roy: None of these hotshots on the back row has spoken.

Mr. Speaker: Let us return to Bill 72.

Mr. Roy: I keep getting notes from people saying, “Wind her down, we have to vote.” So, Mr. Speaker, at least we on this side have had the guts to represent our ridings and stand up. We say to the people of those 70 ridings out there, “We are opposed to this tax.”

Interjections.

Mr. Speaker: Order.

Mr. Roy: The people of those 70 ridings who expect their representatives to oppose this tax are getting their voice on this side.

Hon. Mr. Bennett: You are running out of voice.

Mr. Roy: We are running out of voice; that is right.

An hon. member: The truth shall make you free.

Mr. Roy: That is right. Mr. Speaker, the record should show that we in the Liberal Party, during the hot summer days of 1981, were here fighting against this tax increase. The people on that side—

Interjections.

Mr. Speaker: Order. Order.

Mr. Roy: That is right. Of all those members on that side, not a one got up to oppose it.

Mr. Ruston: Not a one.

Mr. Roy: That is right. Yes. They get up and promote such things as Playboar or something.

Interjections.

Mr. Roy: Mr. Speaker, the record should show that at a time when we were opposing this legislation they were all sitting there smirking and laughing and thinking this was all very funny.

Interjections.

Mr. Roy: That is right; while the people of Ontario are going to be gouged by Bill 72, the government members should all be ashamed.

10:20 p.m.

Hon. Mr. Ashe: Mr. Speaker, over the past three weeks I have heard 30 speakers on this bill on second reading: 13 members of the New Democratic Party and 17 members of the Liberal Party, who said nothing. I can honestly say that I have never heard so many people use so many words to say so little so consistently over and over again.

Ms. Copps: We were quoting your ministers, that is why.

Mr. Speaker: Order.

Hon. Mr. Ashe: The member for Hamilton Centre (Ms. Copps) was the biggest offender over there.

The inaccuracies that were quoted over and over again by so many members, the misunderstandings of the ad valorem tax, the misunderstandings of how this legislation works, I found just literally unbelievable. I heard members opposite suggest tax increases over the next

three years that would double what will probably come to pass. I have heard some members opposite talk about flow through from the federal government that was so far out in left field and so far wrong—mind you, Mr. Speaker, left field came from there—that it was just unbelievable.

I heard members referring to the fact that a 20 per cent ad valorem tax was a huge rate of tax. These same members obviously did not recognize that as little as four years ago the tax on gasoline equated to 40 per cent of the net retail price. As short a time ago as one year the rate was in excess of 20 per cent. What we are talking about is fiscal responsibility in this government, something that the other side knows very little about.

There was a particular reference by the member for London North (Mr. Van Horne), who was talking about a reasonable relationship between revenues and expenditures. If he would only look in this document that was so widely referred to in the last few weeks, he would see that the Ministry of Transportation and Communications' estimates alone are over \$1.25 billion. Yet the revenue anticipated through not only gasoline tax but the motor vehicle fuel tax in the next year is somewhere between \$900 million and \$950 million.

I have not even referred to the expenditures proposed for the Ministry of Energy, which are energy-related in many instances and will turn back the moneys into the system to run it in a fair and equitable way in this province, using revenues that we bring in in a fair way and distribute in a fair way.

I think we heard today from the Treasurer (Mr. F. S. Miller) about turning these revenues back to the people. When the federal government in Ottawa is passing through the various tax increases, the members opposite are not recognizing that approximately half of the barrel is all that is being talked about over there, that more than half the barrel does not relate to motor vehicle fuels. When they talk about \$4.50 a barrel, they mean \$4.50 a barrel. We are talking about a tax on that portion of the barrel that is used in the transportation industry, approximately half of that barrel.

We are turning some of those same dollars out of that barrel back to help those people who need assistance in their heating costs. It is because we have fiscal responsibility on this side of the House that we are able to do it.

Last but not least, because my time is limited, I would just like to quote a member opposite

who said, "The principle of this bill is evil." Let me read this to you, Mr. Speaker: "'The spectacular rate of increase in the price of gasoline causes some hardship for consumers,' Saskatchewan Premier Allan Blakeney said Thursday. 'However, the price here is not high by world standards,' he told a news conference. 'You pay more for gasoline in Europe and the United States, but less in Alberta and perhaps Saudi Arabia.'"

Mr. Blakeney is concerned about the reason for increasing the federal tax on petroleum products. In an interview later, he went on to say: "Gasoline prices would increase again once the provincial government's tax is calculated on a share of the new federal rate. Saskatchewan gasoline tax is based on 20 per cent of the federal rate." That great Socialist province to the west has exactly the same rate that we are proposing, except that it has had it for a while.

This is fair and reasonable legislation that fairly treats our financial needs in this province. It should be supported by all members of this House.

10:38 p.m.

The House divided on Hon. Mr. Ashe's motion for second reading of Bill 72, which was agreed to on the following vote:

Ayes

Andrewes, Ashe, Baetz, Barlow, Bennett, Bernier, Birch, Brandt, Cousens, Cureatz, Davis, Dean, Drea, Eaton, Eves, Fish, Gillies, Gordon, Gregory, Grossman, Harris, Henderson, Hennessy, Hodgson, Johnson, J. M., Jones, Kennedy, Kerr, Kolyn, Lane, Leluk, MacQuarrie, McCaffrey, McCague, McLean, McMurtry, McNeil, Mitchell;

Norton, Piché, Pollock, Ramsay, Robinson, Rotenberg, Runciman, Scrivener, Sheppard, Shymko, Snow, Stephenson, B. M., Sterling, Stevenson, K. R., Taylor, G. W., Taylor, J. A., Timbrell, Treleaven, Villeneuve, Walker, Watson, Welch, Wells, Williams, Wiseman, Yakabuski.

Nays

Boudria, Bradley, Breithaupt, Bryden, Cassidy, Charlton, Conway, Cooke, Copps, Cunningham, Di Santo, Eakins, Edighoffer, Elston, Epp, Foulds, Grande, Haggerty, Johnston, R. F., MacDonald, Mackenzie, Mancini, McClellan, McGuigan, McKessock, Miller, G. I.;

Newman, Nixon, O'Neil, Peterson, Philip,

Renwick, Riddell, Roy, Ruprecht, Ruston, Samis, Sargent, Stokes, Swart, Sweeney, Van Horne, Wildman, Worton, Wrye.

Ayes 64; nays 45.

Ordered for third reading.

10:40 p.m.

BUSINESS OF THE HOUSE

Hon. Mr. Wells: Mr. Speaker, I would like to announce to the House the business for tomorrow afternoon and Thursday.

Tomorrow afternoon the House will consider legislation, beginning with second reading of Bill Pr14, followed by consideration in committee of the whole House of Bill Pr7, Bill 69 and Bill 86, and then second reading of Bill 116, Bill 85 and Bill 67.

On Thursday, immediately after question period we will begin legislation with second reading of Bill 113, then resume second reading of the various budget bills—Bills 73, 78 and 77—followed by second readings of Bills 124 and 68, followed by committee of the whole on any of these bills as required, and then Bill 126 and Bill 127.

RENTAL CONSTRUCTION LOAN PROGRAM

Mr. Speaker: Pursuant to standing order 28, the member for Parkdale (Mr. Ruprecht) has given notice of dissatisfaction with the answer to a question given by the Minister of Housing (Mr. Bennett). I point out to the member that he has no more than five minutes. The minister will also have five minutes to reply.

Mr. Ruprecht: Mr. Speaker, I was really very disappointed at the answer I received to my important question about how many units were being provided through the Ontario rental construction loan program in the municipality of Toronto. The minister indicated he would supply that information. He promised in this House, and we have got the figures right here, that he would supply that information on June 10.

He has not done that. When one looks at the Order Paper, one finds that his answer was, "Look up 128 to 129." We are looking it up and we cannot figure out the answer to my question from what he has supplied; definitely not. I think this is one of the biggest cover-ups that has been perpetrated on the taxpayers of this area. Not even one unit was being constructed under the Ontario rental construction loan program.

This is absolutely shocking. This program

was designed specifically to alleviate the housing shortages and, as everyone knows, the severest shortages are occurring in Metro Toronto where the vacancy rate is at the all-time low of 0.4 per cent.

The housing commissioner, Mr. Bremner, now says it may not be a bad idea for young people to move out of Metropolitan Toronto because there simply are no units available for them to move into. The shocking fact here is that the Minister of Housing, beyond a shadow of a doubt, has misled us by telling us that the figures can be found and gleaned from what he has provided us. I think this is very serious. We simply cannot get the figures from what he has given us.

Why are this government and this minister not honest enough, forthright enough and truthful enough simply to stand up and tell this House that the program that has been designed is not working, period. Then, of course, we would have a chance to sit down and work out some program that would alleviate the housing crisis in Metropolitan Toronto. The biggest shock is that this government and this minister are not supplying us with the true facts as they really are. If the minister had any courage, and if he had any honesty in himself, he would simply stand up and say to our side here that this program is a failure, that the Ontario rental construction loan program is not working, and that we should sit down and work out a new program.

What is so difficult about that? We are not asking him to play God. We are simply asking him to have the courage to tell us the true figures and the true facts. I think it has come to the point now where our young people have to move out of the Metropolitan Toronto area because of the failure of the rental construction loan program. If that is what is so denigrating the Minister of Housing, he should have the courage to stand up and tell us the true facts.

I will tell him one thing, since he is shaking his head: As he knows, in the 1940s, 30 per cent of the population could afford houses; now only six per cent of Metropolitan Toronto families can purchase a home. That is a fact. He can check it again in Hansard after I have spoken.

What are the facts in this matter? The facts are simply that we should have some honesty exhibited here in the House that would indicate beyond a shadow of a doubt that we have to move in the direction of coming up with a new program. I think that is very important and I

wish the minister would have enough courage to tell us that this program is not working so we can work out new ways.

Hon. Mr. Bennett: Mr. Speaker, I am delighted to have the opportunity of responding to the member for Parkdale, who seems to want to be able to confuse all the issues in this particular program.

First of all, may I say that the Ontario rental construction loan program has received rather substantial support from the construction industry in this province, not only in Metropolitan Toronto, but indeed across Ontario. I am sure the member can read some facts and figures. There have been 185 applications for housing units under the rental construction loan program in a number of municipalities across this great province, for something like 18,662 units, and we have provided—

Ms. Copps: What about Metropolitan Toronto?

Hon. Mr. Bennett: Do not worry about Toronto. Let me tell the member for Hamilton Centre there is more to this province than Metropolitan Toronto. Let me assure her.

Ms. Copps: The minister has just said he is not interested in Metropolitan Toronto.

Mr. Speaker: Order. The minister listened to the question; let him reply. Mr. Bennett.

Hon. Mr. Bennett: I am sure the member for Hamilton Centre will appreciate there is more to this great province than just Metropolitan Toronto.

Interjections.

Hon. Mr. Bennett: Listen, kindly let me respond. I paid the courtesy to the member opposite of letting him express his view. Now let me express the government's point of view. Please sit and shut up for a minute.

I said there were 185 applications in this province for 18,662 units, of which the Ontario Mortgage Corporation has approved just seven short of 12,000 units for the province. There are 3,000—sit down, please.

10:50 p.m.

Mr. Speaker: Order.

Mr. Ruprecht: Mr. Speaker, on a point of privilege: You should realize that is not the question I asked, and I think my privileges have been abused somewhat by this minister not giving us what I have asked for.

Mr. Speaker: Order. That is not a point of privilege. I might remind all the honourable

members the minister may respond in any way he sees fit or not respond at all. Would the minister carry on.

Hon. Mr. Bennett: Mr. Speaker, I am saying there have been 11,993 units approved by the Ontario Mortgage Corporation. More than 3,000 units have had what we call commitments, where they have had the building permits and so on issued and an opportunity to develop those units in our province.

I am sure the member for Parkdale will see that, if he can read, and I trust he can, even though he might have some difficulty in understanding the figures because of his inability from a Liberal point of view to try to extend himself to what is the third position. Does he know what the third position is? He experienced it this weekend in Kingston. He found out there was a third position. He secured that—

Mr. Speaker: Order.

Mr. Ruprecht: On a point of personal privilege, Mr. Speaker: I have to ask you, because you are in the position of authority, what does that have to do with the answer to my question about whether these programs work in the Metropolitan Toronto area?

Mr. Speaker: Order. Absolutely nothing, but he may respond in any way he sees fit.

Hon. Mr. Bennett: Thank you, Mr. Speaker. The member for Parkdale might find out some day that we have some privileges on this side of the House. On June 8 the member did ask me some questions in the House.

Interjection.

Hon. Mr. Bennett: Would the member for Hamilton Centre sit and listen for a moment. I say to her, don't get excited. I cannot open the doors for her.

Mr. Speaker: One minute.

Hon. Mr. Bennett: Last night she had six glasses of water and she had to run for the door.

Mr. Speaker: Ignore the interjections.

Hon. Mr. Bennett: Mr. Speaker, the member for Parkdale wants to zero in on the Ontario rental construction loan program. I trust he read my remarks yesterday afternoon in relation to the no-confidence motion by his leader. Ten members of his party did not even believe they should be here to support their leader in voting against the government of the day. I said at that time that we have adjusted the program to take into account some of the rising interest rates that are experienced by the development industry.

Mr. Speaker: Your time has expired.

Hon. Mr. Bennett: All my time was taken by all of the interjections by the great opposition—

which is nil.

Mr. Speaker: Order.

The House adjourned at 10:54 p.m.

ERRATA

No.	Page	Column	Line	Should read
51	1793	1	46	I suggest that Bill 57 no doubt will do the same OHIP premiums matches with remarkable symmetry the 15 per cent increase in doctors' salaries. It is that problem of maladministration in the health care system that I wish to address for the next few minutes.
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SPEAKERS IN THIS ISSUE

- Ashe, Hon. G. L.; Minister of Revenue (Durham West PC)
- Bennett, Hon. C. F.; Minister of Housing (Ottawa South PC)
- Boudria, D. (Prescott-Russell L)
- Copps, S. M. (Hamilton Centre L)
- Cousens, D.; Acting Speaker (York Centre PC)
- Cureatz, S. L.; Deputy Speaker (Durham East PC)
- Davis, Hon. W. G.; Premier (Brampton PC)
- Epp, H. A. (Waterloo North L)
- Gillies, P. A. (Brantford PC)
- Hodgson, W. (York North PC)
- Mancini, R. (Essex South L)
- Peterson, D. R. (London Centre L)
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